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28 August 1979

East Europe Report

POLITICAL, SOCIOLOGICAL AND MILITARY AFFAIRS

No. 1712



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MAJOR SOCIAL PROBLEM: LACK OF DISCIPLINE EXPOSED

Sofia TRUD in Bulgarian 16 Jul 79 pp 1-2

[Article: "Sofia During Worktime"]

[Text] What is discipline? Is it a social or a personal necessity? A form of organization of the workday or a proof of creative attitude toward labor? Is it a right or an obligation?

Is it inborn or acquired by education and conviction, or by decree? Who destroys it and who creates it? Which are the factors that shape it? What criteria do we use to evaluate it?

What are the consequences of its violation for the task which we must fulfill today, for the collective in which we work, and for ourselves? How do we improve it? Where should we begin?

It is on these questions, addressed to you, dear readers, that TRUD opens today its discussion "Your opinion on the question: What is discipline and what motivates it?" A team of the newspaper's editing personnel "took" a picture of a workday in the capital city. Is it like this at your end as well? We are expecting your letters and comments, opinions, experiences, and recommendations.

Misunderstood Solidarity

The traffic picture in Sofia is different during the different hours of the day, and the manner of walking is different as well. In the morning hours before work people are hurrying, they are even running from streetcars to buses and from buses to streetcars. Later on the streets and squares are relatively deserted. The bureaucracy in Sofia is behind the desks in the offices, having obeyed the first rule of labor discipline, to be on time at the place of work.

During the hours of our check, like during every regular workday, the steps of the Courthouse are full of people waiting for the door to open. At 0800 sharp the heavy door opens and the people go in. They scatter to different floors and offices and so, a new workday for the court employees begins. Practically nobody is late.

The peace and quiet lasts for about 1 1/2 hours: there are few people in the streets, almost no customers in the stores. And suddenly, the picture changes: it is crowded again but now practically nobody is rushing with any purpose. The cafes get filled and long "lines" emerge in front of the ticket offices of the movie theaters.

The lobby of the D. Blagoev movie theater swells with high school and university students, but quite a few of the movie fans are also of "working age." From 0900 to 1000 132 people bought tickets, including 48 men and 4 women who had already passed their prime of life. Obviously men have more free time.

"Do you work anywhere?"--a question with an answer, but the name and place of work are not revealed, which is an obvious proof that the people had left work in order to buy tickets or to see the matinee. Only four of the people reveal their names of place of work: a draftsman on vacation, a retired physician, a saleslady (working the second shift according to her), and a teacher, also on vacation. The cashier at the Blvd. Dondukov school for public catering (could not manage to get her name) has her own idea about labor discipline--so what that she went to buy movie tickets?!

A young girl in glasses enters the lobby, she looks familiar, we already saw her behind one of the windows of the savings bank in the Courthouse. After punching in at the beginning of the workday (this is considered in many enterprises to be a display of solid labor discipline), she just went to have passport pictures taken and after that came over to the movie. "What is all the fuss about?" asks the girl. "Don't you go out for personal errands during office hours?" We are unable to find out her name, and could not get it later from her superior either. How could she "squeal" on her?

In Sofia's "Hyde Park," in front of the central public baths, speakers are taking turns heatedly discussing the past years' soccer games, completely ignoring what was happening around them. They do not hear our question either: "Do you work any place?" Others are negotiating and making deals, exchanging foreign currency, and openly at that. In fact, this is considered "work" as well!

W Do It This Way of Necessity

It is 1300 hours at the Lenin rayon council of the finance service of Mladost district. The doors are open, not a soul. M.Kh., a bookkeeper says: "People come here mainly in the morning before we are even open. They are in a hurry, nervous, and perhaps late for work. Our office hours are from 0800 to 1230 and from 1300 to 1700. The office was created to help the citizens but they often complain that they work far away and come back to Mladost late in the evening."



-I swear, comrades, I am coming from work, let me in!...
 -You must be kidding, where do you think we are coming from, church...

B.P., bookkeeper, says: "We must admit that we have long breaks in the work and you can see that at the moment we have no customers. But we must stick to the office hours. Besides, here it is not like in the center of the city where they put books, records, blouses on the market...Here, even if you wanted to, there is no place to go."

R.D., inspector, says: "I am really all alone now in the room. I have four subordinates. They don't have a fixed workday. They only have to stay here until 1100 as later on, Mondays and Thursdays from 1700 to 1830, they are on duty at the clubs. They also visit private homes. It is in their interest to track down people delinquent in their payments (based on warrants and law suits) as, at the end of the quarter, they receive substantial bonuses according to the amounts collected. So, no matter what personal work they attend to during office hours (nobody can keep score what they do), they are doing their job. Maybe because of the incentives..."

1410, Lenin RNS [Rayon People's Council], bureau for administrative services. Citizen G.Ts., taxi driver, in front of one of the windows: "What is happening with my application for an apartment? I applied 3 years ago." "You must apply again. We have to register you." "I have been here many times. I, and my wife, and my brother, and my mother. We are 12 in one apartment. I am working right now, a customer is waiting in the cab. But this is also important. I have to check."

Some people are waiting in groups in front of the first door on the first floor of the council. They have been summoned by the commission following Article 15 and Article 30 which deal with finding apartments and with rents. They say that they are not there during working hours. But even if they were, for a problem of this kind, they were willing to accept punishment in case they were caught.

A woman is peeking timidly at the council's door: "Would you, please, stand in front of me. I am waiting for a friend, for courage. She just went to the commission on the first floor. My work is to open the grid of the street lights, I work close by, in the power supply department. Oh, Oh, I see some of my colleagues on the sidewalk across the street, strolling up and down. You never know who might squeal on you. And there is my boss. He did not see me, thank God!"

It Is Not Difficult To Make Yourself Beautiful

The big commercial streets of the city have very inviting windows. Most of the beauty salons are located there too: hairdressers, shops for cosmetics and manicure. It is not difficult to make yourself beautiful but it came out (from the words of the hairdressers themselves) that almost half of the customers come here during working time, using it most "efficiently" by taking care of some personal errands.

There are three hairdressers on G.S. Rakovsky Street, between Aksakov and Racho Dimchev streets, a stretch of about 500 meters. We enter the first one. Two or three women are nervously looking at their watches and hopefully watching the door and looking at one of the empty chairs. We understand from them that close by there was something new on the market, that people were waiting in a line, and that one of their colleagues went to buy for all of them whatever it was and, therefore, her chair was empty. "Half an hour has already passed," complained a middle-aged woman, expressing obvious displeasure. "I left quite a while ago, and they don't know that I am out of the office..."

Next to her N.S., employee at the Ministry of Finance, is sitting timidly. She came here now because at this time of the day there are fewer customers.

The mood is more relaxed in the next salon. Only two women exchange a few words. One of them had made an appointment in advance, but we should try to understand also L.G. of the Ministry of Light Industry--she had left the office just for a short time and her boss was very strict.

We go to the next hairdresser's salon and are met by an explosion of anger from a manicurist holding a cup of coffee. She remembered the customer M.I. from the university: always in a hurry, always impatient. "After all, I am at work too, I also need a break..."

The Third Side of the Stand

"I am looking for a present for one of the men in the office and I am in trouble. I cannot find anything." The appearance of L.G., employee at the MNO [Ministry of National Defense] draft and design organization shows real concern. Strangely enough, at the moment of her confession, she is looking at the dresses in the department of ladies' fashions and latest arrivals. And this at 1100, in the middle of the working day.

The stands are surrounded by women who are hardly looking for a suitable man's present in a store for ladies' fashions. And it is not difficult to notice the difference between the women who are there during office hours and those who are on annual vacation, or work second shift, or have maternity leave. Those who are free are taking their time, looking leisurely at new things and are not fighting with the salesladies. Those who are there on office time, as for example two waitresses of Rila restaurant, M.H. and V.Y., are most impatient, moving rapidly and restlessly.

The next woman we "interview,"--L. Kh., chief specialist at VTO [Foreign trade organization] Stroyimpeks [State Enterprise for Import and Export of Construction Materials], proves the correctness of our judgment: she had also decided to take some time off just to have a look in TsNSM [Central People's Supply Store]. V.T. works at KhEI [Hygiene-Epidemiological Institute] and she was also out during office hours but her conscience was clear as it was almost time for the lunch break, and she wanted to have a look in the store. There is, however, more than a half-hour to the lunch break! None of them reveals that it is today that TsNSM receives new goods and that their presence here is not accidental.

A personal matter is the reason for I.K. of Transmash [Transport Machines] to join the fashion admirers and not to be at her workplace. She adds that she had a day off but her voice is not very convincing...

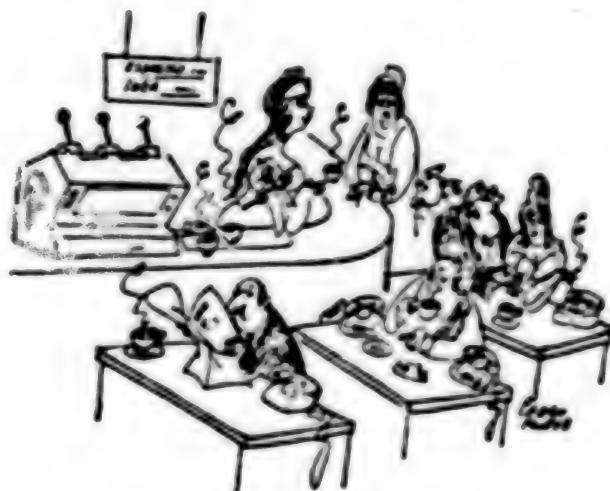
One of the salesladies confides to us that the store is always crowded but most of all about 1000 and 1500 hours, when those who do not drink coffee feel like filling their wardrobes with something new. TsNSM is open Saturdays as well, but then the turnover is much smaller, the store is almost empty. The customers are resting from the "strenuous" work during the work!

What Is Happening With the Order?

Cafe-Patisserie Pragma, 1500. Here and there we see a free seat but there are no empty tables. The waiters have nothing against having customers all the time. Evenings, of course, "long-staying" customers come in droves. The customers change rather fast during the day, they come over for an hour or two and go back to work.

According to the words of one of the customers, the cafe-patisserie is a wonderful place for mingling with people. And much more comfortable than the stuffy office where you are bothered all the time. More or less the same opinion about labor discipline is expressed by T.M., employee at the Complex

Scientific Research and Design Institute of Territorial Structure, Urban Planning, and Architecture (KNIPI TUGA). Is it a crime to take some time off for a friend who you have not seen for "hundred years?" Furthermore, discipline takes different dimensions as concerns the creative work at the institute. The indulgent explanation, however, does not give any hints what these dimensions are. The conversation becomes boring and T.M. obviously becomes aware of the risk of unnecessary chatter.



-We remodeled the cafe in such a manner that the customers have the feeling they are at work...

"Who would dare to disclose his name during office hours when he is not at his place of work?" another customer asks rhetorically. But the utmost frankness of P.M., taxi driver of section 3, proves that such people still exist. You are not made out of iron after all, constantly turning the steering wheel in this heat. Have a short break and, later on, when it cools off, you catch up. Thank God there are still some men of "iron" left like the bus drivers and streetcar operators.

Stoyanova of SK [Slavic Committee] (the question about her name was considered too nosy) does not like personal frankness. She is not the only one who had gone out during working hours, she had the right for compensation as she sometimes has to work overtime. Is this her own judgment? Of course...

The waiters shuffle among the tables, there are now new customers. An elderly man is impatient: "What is happening with the order?" This makes us think that there must be somewhere an office counter or a window, where other people, tired of waiting, are asking: "What is happening with Comrade X, when is he going to be here?"

Oh, This Scarce Labor Force!

It is 0800. We jump clumsily over the steel frame which will eventually shape the main staircase of the kindergarten of the Mladost 3 complex in the capital, and enter the building. There are only three workers in the basement. One is oxidizing the panel joints, and the other two are moving the panels from the crane.

1100. We visit the construction again, and again there is the same quiet atmosphere. Several people are looking for a comfortable place in the shade next to some beams. The builders of the entire rayon are gathered in front of the pavilion across the street, one with a sandwich in hand, another without a sandwich, but all of them with bottles of beer. Sitting on the sidewalk curb of the unfinished street they remind us of the swallows, perched on electric wires described in the famous Yovkov short story. And they remain there almost to the end of the lunch hour. But, how long is the lunch hour?

Two workers are mounting the elevator rails during the lunch hour at the construction site of an 8-story building of the same complex. They are "from the plant", not from the Sofia DK [State combine]. "Why aren't other people here?" we ask. "There are some, yes, there are, the mosaic workers are here, there they are, taking a break in the other room." We push the door slightly, we knock, in vain. "When can we talk with them?" we ask. "About 1300 or 1400," is the answer. "Till what time do they work?" "Until 1600 or 1700..." (How precise! A 1-hour difference, is it so important?)

1400. Again at the kindergarten construction site. Our impression of inactivity does not change by the blue sparks of the only oxygen torch or by the subtle rumble of the crane, which is still holding the same window panel. Two men of the assembly brigade of A.N., while lifting the panel, look at us questioningly as we proceed to the future stairs of the building. This time we manage to see the brigade leader. Eight workers are building the kindergarten, one is on vacation. And so it goes. The deadline for the framework is 10 July. By 16 July they might finish...

And, while the building sites are empty as always, while the technology and machines stay idle, in front of the concrete blocks people continue to move in blue jeans, showing their tanned backs, along the alleys trampled with human imprints, leading like sun rays toward the small pavilion across the street.

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EDITORIAL CALLS FOR REPLACEMENT OF 'INCAPABLE CADRES'

Prague RUDE PRAVO in Czech 11 Aug 79 pp 1, 2

[Unattributed editorial: "Everyone To Do What He Is Fit For"]

[Text] For a number of years our communist party's Central Committee has been emphasizing the need of raising the standards of responsibility and quality when fulfilling tasks which grow ever greater and more complicated. This need increases daily in urgency, after all, problems stemming from the deteriorating external--as well as internal--conditions are not diminishing, on the contrary, they become more acute as they encounter our needs and, whether we like it or not, they shape the plans and goals of our socio-economic program. Recently we were forced, albeit reluctantly, to adopt certain so-called "unpopular" measures. However, these measures were necessary in order to insure a healthy development for tomorrow and the day after tomorrow, because it is impossible to think of things as they are today, we must also think of the near and the more distant future.

We have a number of problems which must be overcome and given a positive solution. In this context it is clear that there is only one correct way of doing it: to confront the problems squarely, not just to point them out nor to sidestep them, but to find solutions and to systematically create conditions for a dynamic growth of the national economy, as envisioned by the plans for the development of our economy.

There are factors which--because they are objective factors--we are essentially unable to change. We do not determine the prices and the availability of raw materials, materials and energy imported from abroad. However, we can determine whether we shall economize with them or waste them and we can determine ways of improving them or of substituting for them other materials from local sources. We have no say about whether or not we shall export--we simply have to export--but we do have a say about what the quality, effectiveness and overall modernity of the exported products would be and thus also what their price and the demand for them would be: we simply do have a say about many things which can modify the negative effects exerted on our production and consumption by the world economy.

For example, no one will fault agriculture for a less plentiful harvest of grain, brought about by unfavorable weather. But, on the other hand, no one would want to tolerate or excuse possible unnecessary losses incurred during harvesting and storage, waste of fodder, or waste of foodstuffs for which we pay literally in gold. It is necessary to have high regard for all assets, to economize with them thoughtfully and to utilize them in the most rational and effective manner possible.

It is our experience, many times tried and tested, that cadres are the decisive factor in the solution of problems, in fulfillment of all tasks. That is not an empty slogan nor an outdated thesis from the period when we were beginning to build socialism. It is a truth which is always valid, an external truth, so to speak, even though it may be valid at different levels and in different conditions and contexts.

We have often talked about objective and subjective conditions, about the fact that it is inadmissible to assert that a factor is objective when it is not, and that subjective shortcomings and faults can be neither excused nor concealed. There are many comrades who understood the changing economic conditions right away, and addressed themselves with full seriousness and responsibility to the implementation of the resolutions issued by the individual sessions of the CPCZ Central Committee. It has to be pointed out that these comrades not only grasped the idea--that was made possible by their ideological and political maturity--but also managed in practical implementation to change their approaches to the solving of problems, to give matters an innovative look and utilize their professional expertise and their management skills and to subordinate their actions completely to the interests of society as a whole.

Such splendid persons prove their worth throughout all the complex struggles we wage, they are capable of conceptual thinking and executive decisions, they are equal to taking upon themselves risks when necessary, and they do not lack the quality which we call the honesty and responsibility of a communist. And the point is that such people are not exclusively people with a party card; after all, we have many economic workers who are not members of the communist party: they are without party affiliation or belong to other political parties. They all work in unison on the common task, feel deeply their responsibility towards socialist society and to the interests of the working people. And it is these comrades--communists and non-communists alike--who are our guarantee that the communist party in its cadre policy shall be able to continue in promulgating the conclusions of the 14th and 15th congress on policy of cadre stability, naturally bearing in mind the ever increasing demands on work, ideological maturity, political sophistication, professional expertise and character traits of the people in question.

However, sometimes in practical life it seems as though some comrades might have developed wrong understanding of what the policy on cadre stability meant and got an idea that their jobs were secure until retirement regardless of the

results--when it is the results which are always decisive. Some comrades, in turn, believe that past merits will protect them from any criticism and that past favorable achievements suffice to carry them through life, even if they slacken their pace, become arrogant or if they simply can no longer cope with tasks, grown bigger and more complicated. Socialism simply cannot afford such a policy which would be at variance with interests of society as a whole. People who have not proved their worth, who have not mastered their mission, who have not freed themselves of their mistakes and errors despite repeated comradely criticism and have not demonstrated the necessary skills cannot be retained in their jobs. And it is completely out of question to tolerate employees who enrich themselves at the expense of society and even profit from problems--that would be at odds with the principles of socialist remuneration, based on the social importance, quantity and quality of work. In some places there still occur egalitarian tendencies and leniency toward the shortcomings of employees. This has a negative impact on work morale, impairs comradely relations and--in consequence--harms society.

It is certainly appropriate to talk about work morale, about the socialist attitude to work, about responsibility and the demanding standards required of each worker, each citizen. However, it is the managers who must always be the models. It would be absurd if we scrutinized only the work of rank-and-file workers and did not take a sharper and more comprehensive look at the work of the ranking economic personnel who bear a much greater responsibility, not only for themselves but for the entire work collective which they direct. It would be a mistake if we accepted the idea that the exacting evaluation of the work of an individual should be cut off at the level of foreman, and neglected an exacting evaluation--based on concrete work results--of the work of the director, director general or the minister. Moreover, we sometimes encounter the view that the criteria for setting high standards are valid only in the field of the economy. Naturally, the economy is and must be the center of society's interest, after all, it is the base on which all development is built and for that reason it is in the forefront of interest and criticism. But the requirement of high standards must be applied to all types of human endeavor. Anyone can damage society by doing low-quality, unskilled, irresponsible work. This is true no matter whether we are looking at this or that department, whether the department in question is directly concerned with production or whether it is in the health or social sector, in science or research, or in anything else at all.

Our ranking economic personnel do not have an easy task and unless they take their jobs lightly or evade their responsibility, they do not have, and cannot have, an easy life. This is linked to the willingness to assume responsibility. Society respects their work and is grateful for their effort, initiative, dedication and their creative attitude to the solution of difficult problems and important tasks.

It is natural that the best, most capable and most dedicated among them must regret more than anyone else the cases where the person hidden behind the authority and social importance of an executive is someone who does not deserve this authority and the results of whose work are of negligible importance to society.

After all, we cannot have as executive a person who has not grasped the meaning of interests of society as a whole, who is not capable of creatively and with initiative applying the resolutions of the [CPCZ] congress and the CPCZ Central Committee to the conditions of his sector, economic production unit, enterprise or plant, and who is greatly lagging behind the needs of the present times. And it goes without saying that a person who violates communist ethics and even enriches himself at the expense of society, who is obsessed with pride and who cultivates around himself--unjustly and uncritically and sometimes even by means of pressure--an aura of infallibility and untouchability, has no chance whatsoever of withstanding the test.

At the 15th congress it was said unequivocally: "In cadre policy we have striven and shall continue to strive for a healthy stability of cadres. That, however, does not mean that persons who do not insure the fulfillment of tasks, stagnate in their political and professional development, and do not approach their duties with the necessary responsibility may remain at their posts. A senior official does not get respect for himself by the fact of having been named into a function but, most importantly, by his capabilities and expertise, by an uncompromising promotion of interests of society as a whole, by conscientious and dedicated work, by a feel for the new and progressive, by modesty and by a considerate attitude to people, their worries and needs."

Every executive must gain respect, esteem and recognition on his own. He cannot just brandish the authority of the party. The party will extend help and protection to every able, honest and motivated employee but it cannot and will not stand up for irresponsible, incapable people. In this matter the evaluation must be made on the basis of specific, objectively ascertainable results, and no subjective concepts of one or another individual may be applied.

It would be desirable if all party, state and economic organs and social organizations devoted more attention than heretofore to a comprehensive evaluation of cadres in the context of results, achieved in the implementation of the program of the 15th congress, that they should systematically intervene in places where it is necessary, that they should give effective and timely help and in cases where there is no other way of making a correction that they should consider cadre changes.

After all, the 15th congress speaks clearly about a healthy stability of cadres, not about their absolute unchangeability. Evidently there are still too few organs and organizations which put into practice--with enough system and purposefulness--the thesis formulated by the congress that it is necessary to be more aggressive about placing qualified young people into jobs of responsibility. It is necessary, emphasized the congress, to combine the experience of the older employees with the elan of the young.

It is fully in harmony with the interests of society to have each person in a slot which is proper for him, to demand that people perform the office and the work for which they have the necessary prerequisites, in which they have proven their worth and shown positive results. It is proper to assign a person

the job and the work he is capable of mastering, where he can apply his abilities and talents, and where he can feel satisfaction. However, we must also be firm in cases when people fail to come up to expectations. While doing so it is not necessary to villify and condemn but it is necessary to solve cadre issues in a well-considered way and with a communist responsibility wherever it is necessary and required by interests of society as a whole. Everyone will accept and support such a principled cadre policy.

In our society there are many educated, experienced, politically mature, ideologically firm and professionally qualified people who are capable of holding posts of responsibility, fulfill tasks and solve problems which appear to be insoluble to some comrades, possibly because they themselves are not equal to them.

We have all the prerequisites for the fulfillment of the tasks set by the 15th CPCZ Congress. Our socialist society is strong enough and has enough intellectual potential to cope with the present problems. This requires, above all, a good cadre policy.

CSO: 2400

CZECHOSLOVAKIA

BRIEFS

ETHIOPIAN TRADE UNIONS VISIT--The discussions between the three-member official delegation of the General Association of Ethiopian Trade Unions led by the association's chairman, Mulugetta Jimer, and representatives of the Central Council of Trade Unions headed by its secretary, Ladislav Jasik, finished in Prague last Wednesday. Comrade Ladislav Jasik acquainted our guests with the organization of the Revolutionary Trade Union Movement and its history. The chairman of the General Association of Ethiopian Trade Unions Mulugetta Jimer, as well as the other members of the delegation valued highly the experiences in trade union work which they acquired during their 5-day visit to Czechoslovakia. They emphasized that they will use this knowledge to the full extent in their activity which presently concentrates primarily on solidifying the the achievements of the socialist revolution in Ethiopia and peace on the African continent. Additionally, questions of further cooperation between the Czechoslovak and the Ethiopian trade unions were discussed, which are also included in the joint communique which was adopted at the close of the visit. [Text] [Prague RUDE PRAVO in Czech 9 Aug 79 p 2]

CSO: 2400

GERMAN DEMOCRATIC REPUBLIC

WEST GERMAN COMMENTARY: GDR INVOLVEMENT IN AFRICA

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 14 Aug 79 p 8

[Article by Klaus Natorp: "Honecker's Africa Corps--How the GDR Gains Considerable Influence With a Relatively Small Number of 'Advisers'"]

[Text] For Germans from the GDR an overseas sojourn is often the opportunity to defect to the West. The NVA (National People's Army) soldiers and the members of the so-called FDJ friendship brigades who are sent to Africa are evidently an exception. At any rate, no member of the GDR's Africa Corps is known to have run off during his assignment in an African country--as of now. Obviously, the SED leadership in East Berlin has succeeded in perfecting its selection system to the point where there is scarcely any risk of defection.

A basic principle of this system seems to be that there must be some binding pledge remaining in the GDR whenever an NVA soldier or FDJ member is sent to Africa. It is true that even some married couples from the GDR have been observed in Africa, but they had to leave their children or other close relatives in the GDR. A second criterion is the careful preliminary selection of Africa candidates. Volunteers are not considered. Whoever is not a third or even fourth generation party member has only slight chances. There are also high demands regarding technical qualification. Complaints about GDR people in Africa are rare. While the Russians constantly have problems due to their often boorish behavior and lack of psychological insight into African mentality--even the relationship between Cubans and Africans has for some time not been as good as Havana constantly maintains--the German communists in Africa appear to have caused scarcely any trouble.

In Moscow, where all GDR activity in Africa is naturally closely observed and where the idea of SED comrades participating in East Bloc African activities was probably engendered, there is said to be a desire gradually to replace more Cubans with Germans from the GDR. Soviet leaders believe that GDR personnel would have fewer problems with the indigenous population than the Cubans, are more disciplined, and are well prepared psychologically. Accordingly, a few but good GDR people are sometimes better than a large number of Cubans.

This sort of praise flatters the East Berlin leadership; yet it sees growing difficulties in complying with these desires. Personnel availability is limited. The number of people who are both technically qualified and who are considered politically reliable, i.e., who have a clean cadre file, is not large. In addition, the sending of SED elite cadres to Africa has notable disadvantage for the GDR, even if Africa assignments are mostly limited to one year.

Thus, the figures on enormous numbers of GDR soldiers and FDJ friendship brigades appearing in certain African states closely associated with the USSR and its allies are often vastly exaggerated, according to the findings of Western intelligence services. There are no NVA battalions or even regiments in Africa: Nowhere in Africa have complete NVA units been set up; rather--dispersed over numerous countries--in each case only smaller groups of trainers, organizers, or even individual experts. There is also no proof that GDR military personnel have engaged in fighting anywhere in Africa. Nevertheless, the key positions which Honecker's envoys occupy in numerous African states assure a considerable influence despite their relatively modest number.

Everything which in the broadest sense deals with internal security, with the setting up of a state power apparatus according to the communist model, is the preferred sphere of operations of the German communists. They concern themselves with setting up the secret service (naturally with the East Berlin State Security Service as the prototype), with the organization of communications, with radio and newspapers, with prisons and penal camps, with mass organizations, and, particularly, with the militias. These are the pillars on which power rests in the GDR; they are also the pillars on which it is to rest in the African countries which, according to the USSR and its satellites, seem to be suited and ready to devote themselves to the socialist camp, body and soul.

In many areas the GDR is now reaping what was already sown quite some time ago. There were relations between the friendship societies and other mass organizations of the GDR and the various African "liberation movements" long before the latter seized power and long before the international recognition of the GDR. Many a high party functionary or government official in African received his training in the GDR at that time; numerous African editors attended the GDR school for journalists. These pupils demonstrate their gratitude to their teacher by following his instructions honestly and faithfully.

The training of Africans in the GDR, including military training--in weapons and equipment--is still going on; there is also ideological indoctrination. The focal point for this activity, however, has been shifted to Africa. Only "liberation fighters" for the Republic of South Africa are still being trained in the GDR, while partisans for the struggle in Rhodesia and Southwest Africa are mostly being trained in neighboring countries, in Zambia, Mozambique, and Angola. In these states, then, the GDR

is often present on two levels: With the government, from whose territory the guerrillas operate, and with the "liberation fighters." Only Zambia has thus far been able to keep its armed forces free to some extent from communist influence; it has not, however, been able to prevent increasingly closer cooperation between GDR instructors and the part of the armed forces in the anti-Rhodesian "Patriotic Front" which takes its orders from Joshua Nkomo. In the meantime, the number of GDR instructors with Nkomo's people may well be about 100. Since they are usually located in the interior of the country, where they are even believed to be in uniform sometimes, whereas they usually run around in civilian clothing or in blue overalls, one rarely gets a look at them. In Mozambique, where between 500 and 600 GDR military personnel are active in every possible area, it is already more difficult to conceal them from the eyes of the curious, not to mention Angola where, meanwhile, almost 1,000 NVA soldiers may well be serving. Another focal point of GDR involvement in Africa is Ethiopia, where between 300 and 400 NVA members are located. Smaller GDR contingents of about 100 men in each case are on the job in Guinea, Guinea-Bissau, and in the People's Republic of the Congo (Brazzaville). The presence of about 50 to 100 GDR military advisers in Nigeria has not been confirmed as of yet. Since the South African secret service is wont to mix true and false information and to use this as a means of psychological warfare, caution is advisable concerning all reports of numerical involvement of GDR personnel in Africa. The truly exact figures are in possession of only the SED leadership in East Berlin (and naturally the Moscow command center), which is taking great care in allowing anything to be said about this because the dispatch of a not inconsiderable number of GDR people to Africa is being accepted with increasing reservations on the part of the populace. What the SED leadership believes that it must do for the necessary further development of the "revolutionary process" is considered by many citizens as wasted money. Should GDR soldiers in Africa become involved in internal troubles or even get killed in the process, this criticism could intensify. The government in East Berlin must also see to it that the financial burdens of its Africa policy do not become too high, even if they can refer to the possibility of economic quid pro quos to be expected from Africa in the form of raw materials (e.g., coal from Mozambique) or even to that which has already arrived (coffee from Angola). Obviously, East Berlin is also hoping that the USSR could compensate the GDR financially if the costs of the Africa involvement get too high. Both Moscow and East Berlin seem determined to see that all their African commitments do not turn out as expensive as Cuba turned out to be.

CSO: 2300

GERMAN DEMOCRATIC REPUBLIC

IMPROVEMENT OF SCHOOL MILITARY INSTRUCTION STRESSED

West German Commentary

Bonn DIE WELT in German 16 Jul 79 p 3

[Article by Gerhard Besserer, Hannover: "East Berlin Intends To Expand Military Courses." A translation of the East Berlin DEUTSCHE LEHRERZEITUNG article referred to below follows this commentary. For additional West German commentary on this topic, see the following JPRS issues of this series: 73854, 18 Jul 79, No 1699, pp 28-32; 73679, 13 Jun 79, No 1690, pp 59-62; 73572, 30 May 79, No 1686, pp 34-36, 38-62, and 63-66; and 73510, 22 May 79, No 1683, pp 31-33]

[Text] "The Soviet Union carries the main burden in the defense of Socialism," "The brotherhood-in-arms with the Red Army safeguards peace," "The National People's Army is the guarantor of peace and security in Europe." These answers are always correct, no matter what the teacher may have asked in the "GDR" military science course.

The children know them by heart. Stereotyped repetition of phrases is an integral part of the daily mimicry characterizing life in the "GDR." The party jargon reeled off in changing set pieces appears to have bewildered even the SED. The "GDR" professional journal DEUTSCHE LEHRERZEITUNG found that many answers "flow too easily and thoughtlessly from the lips" of the pupils; it has urged all pedagogs from Rostock to Dresden to draw fully on all their resources in teaching their pupils defense preparedness for the "GDR."

The military instruction of school children is to be further emphasized. In the spring the SED had already tried to interest the children in military instruction in school through large-scale war games. Now--1 year after the introduction of "military science" in the curriculum--the teachers are also to be won over for the new subject through a sweeping campaign.

The most important point characterizing the efforts of the party secretaries in their attempts to bring about improvements in "military science" education at all schools is as follows: the "task of providing military

education during the curriculum" is not to be left solely to the respective specialists. All subjects taught, from sports to history to music, must be made to serve the cause of military education.

Even the "military recruitment" takes place in the "GDR" classroom. Regina Haucke, a teacher, is quoted in the LEHRERZEITUNG as follows: "It does not do much good only to stress certain bright sides of the military profession; it is important also to present the rigors of this profession."

To ensure the competency of every teacher, the newspaper invites all pedagogs to participate in a contest. "When was the Warsaw Pact signed?" or "What anniversary did the workers' militia celebrate last year?"

Participation of Schools, Organizations

East Berlin DEUTSCHE LEHRERZEITUNG in German Vol 26 No 26, 29 Jun 79 p 4

[Article by Regina Haucke, SED secretary, Ernst Fuerstenberg Secondary School, Berlin-Mitte: "Reserve Resources in Military Instruction Revealed"]

[Text] We, the comrades at the Ernst Fuerstenberg Secondary School, are pleased to note that in the last few years a number of our pupils have decided to embark on a military career or to serve with the NVA [National People's Army] for 3 years. We consider this a successful result of the continuous educational work on the part of all pedagogs, parents, parent groups, and children's and youth organizations. We could really be satisfied with this. Nevertheless, our daily teaching and the numerous personal discussions with members of the FDJ [Free German Youth] and Pioneers clearly show that we still have reserve resources in providing instruction concerning the defense preparedness of our socialist GDR.

Such answers as "The Soviet Union carries the main burden in the defense of Socialism" or "There is no need whatever for us to worry; we have the Soviet Union which will take care of everything in the end" flow much too easily and unthinkingly from the pupils' lips in class. But it is in these pupils' answers that we finally find our own task, namely argumentation with our pupils. This is why we, as a party organization within the schools, became seriously concerned a year ago, especially in connection with the preparation of our pupils and parents for military instruction. Our conclusion: Truly good results in teaching youth defense preparedness can only be achieved by us through our clear class position and through a carefully differentiated and effective politico-ideological methodology aimed at influencing the student body. On this basis it was imperative that marked improvements be made in our own instructional work and in the quality of the many personal discussions, as well as that of our casual conversations.

In the course of this process aimed at improving the proficiency of our colleagues with the assistance of all the comrades, the extremely persuasive films of Dr Katin's group, among others, gave us graphic examples in recent months of the danger of imperialism in the FRG. By drawing attention to

this and similar television programs we can also make every pedagogue clearly aware of the great responsibility which every citizen of our country shares in the interest of strengthening Socialism. Erich Honecker explicitly pointed this out at the tenth session of the Central Committee of the SED: "The German Democratic Republic is situated at the boundary of the two major social systems, of the alliance of the Warsaw Pack and of NATO, in the middle of a volatile area where decisions are made concerning war or peace. Therefore, we also fulfill a great responsibility toward the strengthening of Socialism and the steady improvement of the defense posture of our Republic." It is these relationships which we have decided to discuss very convincingly with our pupils.

As the party organization in the schools, we do not simply leave the military instruction work to the specialized teacher. Above all we can single out, in this connection, the close collaboration with the Committee on Military Instruction within the Parents' Advisory Council. Jointly we have developed a recommendation for all grades and subjects, citing those lesson plans which lend themselves particularly well to military instruction work. All our colleagues have received this recommendation. Our city district also has instructions and recommendations from the various specialized committees concerning this topic. However, class inspections have shown that these materials are being used in different ways at our school. For us the differences from one colleague to the next are simply too great. To reduce these differences by generalizing the experiences of the best ones, for example, such is the task which we, as the party organization in the schools, consider the most important one.

But we do not confine to the school lessons the process of socialist military instruction which we consider an integral part of communist education of our youth. Our system includes a plan of socialist military instruction outside the school, as well as concrete proposals aimed at recruiting military replacements. A high percentage of parent comrades is positively noted in this connection. They show great willingness to cooperate in this task. Every parent group representing a certain school grade--at least from the sixth grade on--has a committee for socialist military instruction. It maintains close liaison with the corresponding committee on the Parents' Advisory Council and considers its main task to consist of the arrangement of varied and interesting events pertaining to national defense policies and military instruction. Even so, we shall be able to use a significant reserve more fully in the future: it consists of the immediate assistance on the part of Pioneers and members of the Free German Youth in the preparation and arrangement of forums with these themes, as well as group routines and shows for the preservation of tradition.

Our Hans Beimler staff has been working continuously for years. Our colleague Peter Peschel who works with him in the preparation of contests, confers with pupils to set dates on a long-term basis for incorporation into the yearly school work calendar. A report is submitted to the party leadership. To

be sure, we succeeded this year for the first time in including the military reserves of our sponsoring state enterprise Inex in these activities. We have learned from this experience that we must state these conditions more firmly and clearly in the new sponsorship contract.

Those pupils who have opted for a military profession occupy a respected position thanks to this systematic work in the field of military instruction; they participate in the formulation of public opinion within their community. In this effort they are supported by our comrades.

It has been our experience that our pupils understand frank talk. It is not very useful only to stress certain "sunny sides" of the military profession; it is important also to present the rigors of the occupation. In our circles the following position continues to gain strength: Successes in the socialist military instruction will be scored only when every pedagogue--the class leader of a higher class as well as the teacher of a lower grade, the educator at a retreat as well as the leader of Pioneers, the teacher of civics as well as the music teacher--recognizes his contribution and fully assumes his responsibility, together with the parents, the comrades and colleagues of the sponsoring enterprise, as well as the elected officials of children's and youth organizations, in providing the education for an active role in defense preparedness. We, as comrades, view the accomplishment of this objective as an important political task.

9261

CS0: 2300

CHEMICAL WARFARE EQUIPMENT FOR SURFACE VESSELS DESCRIBED

East Berlin MILITAERTECHNIK in German No 4, 1979 signed to press 8 May
79 pp 214-215

[Article by Navy Capt H.J. Bose: "Technology and Equipment of the Chemical Service on Surface Vessels"]

[Text] Crews of ships and vessels of the People's Navy can only successfully complete their assignments in modern combat when their combat readiness is assured under the employment conditions of mass-destruction weapons.

Since the introduction of mass-destruction weapons into NATO, the tactical-technical requirements placed on technology and equipment to protect crews against the effects of such weapons and to eliminate their consequences after employment have been implemented with constantly increasing quality.

As a rule, ships and vessels are equipped with systems and equipment for chemical-radiological reconnaissance and warning, with filter ventilation systems, on-board decontamination, deactivation and water protection systems. In addition, they have available protected areas for the crew, areas for medical treatment and floodgate systems--which will not be discussed here.

1. Systems and Equipment for Chemical-Radiological Reconnaissance and Warning

The systems and equipment designed specifically for on-board conditions signal optically and acoustically:

- the presence of radioactivity in the air and water
- the radiation dosage at the upper deck
- the radiation dosage exposure of the crew at the most important combat stations
- exceeding of established threshold values for a certain radiation dosage
- the presence of chemical agents in the air, and
- the degree of deactivation and detoxification

The particular radiation warning system and the number of automatic chemical agent indicators is established as a function of the vessel type (size and missions).

The values determined by the radiation warning system are displayed at the chemical service combat station on indicator boards. Duplicate display instruments or signal transmitters are located on the bridge. On the basis of these measurements, certain protective systems of the ship like alarm system, filter ventilation system, water protection system or the hermetic sealing mechanism can be put into operation automatically via pulse transmitters after the level exceeds a threshold value.

2. Filter Ventilation System (FVA)

The function of the FVA is to supply the crew working in the interior of the ship with air purified from radioactive substances, chemical agents or biologic agents. Overpressure is generated in the ventilated compartments to prevent penetration of contaminated air through the air outlet openings. Whereas surface vessels previously had only radioactivity filters (coarse and fine filters), today they are equipped with adsorption filters (protection against CBR substances).

Ventilation of compartments via the FVA presumes a certain degree of sealing of compartments. As a rule, all occupied combat stations, stand-by stations and lodging compartments and the necessary access passages are ventilated. Progress is underway on ventilating the engine compartment by filter ventilation systems whereby the air needed for engine and auxiliary machines is drawn in from the outside and from the engine room itself.

FVA's on surface vessels are normally connected with the ventilation systems ordinarily required for such vessels. This means that the filters of the systems are incorporated into the general ventilation system of the ship if necessary. Thus, favorable technical-economic conditions are created for employment of filter ventilation systems on board.

The required output of the system depends not only on the needed quantity of air for the crew. It is often determined by the heat radiation from the various types of systems and equipment inside the ship at the individual combat stations. Therefore, cooling systems are used wherever intensive heat-generating equipment is found if a corresponding increase in output of the ventilation system is not economically feasible. In consideration of the overpressure generated by the ventilation system, in general only a limited sealing of the ventilated compartments is needed. However, severe demands are made of hermetical sealing of selected compartments (protected areas) which must guarantee protection of the crew for a certain time without use of the FVA. This can be necessary in cases of damage or use of unknown chemical agents.

The air exhaust openings in the ventilated compartments are kept to a minimum in order to shorten the time needed for closure of these openings. The air

exit openings are closed by valves whose adjustment ensures the required over-pressure in the compartments. The filters are housed in compartments which are generally protected against enemy weapon effects and which eliminate the effects of water spray and moisture. The filter elements must be easy and safe to replace by adherence to safety regulations and must not become fouled when not in use. Measurement and display instruments permit operating checks of the system and measurement of filter fouling.

3. Ship Decontamination and Deactivation System (SEES)

To eliminate the consequences of the employment of enemy mass-destruction weapons, surface vessels are equipped with decontamination and deactivation systems. They are used for special handling of armaments and equipment of the ship.

Special handling within a time corresponding to the tactical requirements is assured by these systems; the entire upper deck and assemblies must be within reach.

Among the ship decontamination and deactivation systems are:

- decontamination and deactivation systems (EE-systems)
- decontamination and deactivation niches (EE-niches)
- pipelines with armatures.

The number, size and arrangement of the EE systems on board can fluctuate. They depend on the size of the ship and on the location of pressure vessels. The special detoxification and deactivation fluid is prepared in these vessels. Installed mixing mechanisms and warm-water feed connections accelerate preparation of the fluid.

On modern ships the vessels are installed in the assemblies or below deck. Thus they are protected against enemy weapon effects and can be operated inside the ship. The liquid moves through pipelines to the distributors (EE-niche) on deck. The needed hoses, working tubes and brushes used to apply the liquid to the affected deck are stored here. By using brushes the combat agents are removed mechanically from the surfaces. Armatures for three to five working hoses are usually connected to one distributor.

4. Water Protection System (WSS)

The primary objective of the water protection system on surface vessels consists in wetting the entire deck, assemblies and systems and weapon systems on the upper deck for a certain time, i.e. to generate a flowing water film. This prevents radioactive substances and chemical agents or biologic agents in solid, liquid or aerosol form, from adhering to the upper deck.

The WSS is also used to wash off the affected ship (partial special treatment), to float away residues of completed special treatment, to prevent spread of fire when incendiaries are used and to reduce the general heat field of the ship.

The WSS can be a spray or sprinkling system or a combination of both types. The spray generates a water curtain over the entire ship. One disadvantage is that visual-optic observation and use of weapons is hindered and severe demands are made of the delivery pumps to supply the needed amount of sea water.

A sprinkling system ensures a uniform, cohesive water film over all decks, on and along the assemblies. This is achieved by simple pipelines with appropriate openings for the outlet of water. In order to assure the needed effectiveness, the surfaces to be wetted have established water quantities per surface unit; these quantities will depend on the shape of the surfaces and on their position to the direction of ship travel. This system has the disadvantage that pipelines for sprinkling cannot be laid over the ship's entire surface.

The sprinkling system is generally preferred. Jets to generate a water veil (curtain) are used where sprinkling pipelines cannot be attached due to arrangement of weapons and technical equipment on the upper deck. To supply the water protective system with sea water, pumps which are provided primarily for the bilge or fire-fighting system are used. Only if their delivery is insufficient are additional pumps provided. Subdivision of the sprinkling system into individual, independent sections is desired.

The universal water protection systems used recently permit mixing of sea water with the detoxification agent. Surface-active agents lead to better wetting of contact surfaces since complex-formers bind the most important radioactive elements by ion-exchange reactions. The mixing equipment must ensure a 0.05 to 0.1 percent concentration of deactivation agent in the sea water. The importance of water protection systems on surface vessels can be seen by the fact that on sprinkled surfaces about 98 to 99 percent of the radioactive fallout is washed off immediately.

5. Conclusions

In spite of the systems to protect against mass-destruction weapons, all crew members of surface vessels should be equipped with personal protective equipment and this equipment should perform other naval tasks besides personal protection.

For nuclear radiation and chemical reconnaissance and dosimetry, additional portable equipment is available. For partial special treatment, surface vessels are equipped with various portable equipment located at the open combat stations.

Besides the "Chemical Service" combat station, there are special storage areas for the equipment and agents of the chemical service. The combat station and the storage areas of the chemical service are usually found near the detoxification and deactivation systems and the mixing system for the water protection, in order to assure quick operation and monitoring of these systems.

In conclusion we can say that the shipbuilding design and energetic conditions on surface vessels afford relatively good prerequisites for the employment of technology and equipment of the chemical service in protection against the effects of radioactive substances and chemical agents. For a sensible and economic incorporation of this technology into the general technical systems of the ship and by utilization of the most recent experiences and knowledge an effective protection of the crew against radioactive substances and chemical agents can be assured without negatively affecting the tactic-technical parameters of the particular ship type and its combat effectiveness.

9280

CSO: 2300

SOCIOLOGISTS STUDY ANOMALIES OF HUNGARIAN LIFE

Budapest VALOSAG in Hungarian No 6, 1979 pp 29-44

[Article by Elemer Hankiss: "An Ambiguous World"--Difficulties in Our Behavioral Culture"]

[Text] As his father, horrified, told him that he had forgotten even the greatest experiences of his childhood, Aureliano told him about his method introduced in the entire family and later also in the whole village by Jose Arcadio Buendia. He wrote his name on every object with an hysop dipped into paint: table, chair, clock, door, wall, bed, skillet. He went to the yard and marked the animals and plants, too: cow, goat, pig, hen, yucca, malanga, banana. But, by studying the unlimited possibilities of forgetting, he slowly came to realize that the time may come when, although the objects would be recognized by the marks, people would not know what the objects' function was. Then he resorted to further explanations. The sign, too, which he put on a cow's neck, could be an excellent example as to how ferociously the population of Macondo was fighting against forgetting: This is a Cow: She Must Be Milked Every Morning, The Milk Must Be Boiled, Then Coffee Must Be Added To It So That It Becomes Coffee With Milk. This was the way they lived in the ephemeral reality which was, for the time being, hooked on words but which inescapably had to glide away as soon as the meaning of the written word was forgotten.

(Garcia Marquez, A Hundred Years of Loneliness)

Should not we, too, hand these strange signs before long, if not on our objects but at least on our common things? We can somehow come to terms with the table, chair, skillet and cow, we comprehend them relatively well; but in the world of our common things, common concerns, there is a great

confusion. Our illness is not the same as that in which the inhabitants of Macondo suffered who gradually lost their memory, going through the difficult experience of losing human culture, and thus human life, which gives a meaning for objects and things, animals, plants, and everyday activities, and which puts these in a understandable order. No, the danger we are facing today is not of losing our memory, our knowledge of our rich culture which forms and regulates human and social life. On the contrary, we have nothing to forget, we have not enough forgettable things. Because we have not yet discussed many of our common affairs, have not defined matters; we have not yet reached the point where we can hang these signs in question on a few fundamental moments of our lives and leave them there until our minds, our world of feelings, our behavior absorb their meaning. In other words, until these meanings transform themselves into a culture that gives a meaning to and enriches and regulates our living together.

Does this introduction, wrapped somewhat in metaphorical obscurity, mean that I do not consider Hungarian culture rich and valuable enough? Of that I do not think that today's Hungarian society is cultured enough? Yes and no. And the ambiguity this time is not in the judgment but in the object itself namely, that the term "culture" has a double meaning. When one is considered, this country can only then be praised; when the other, then the judgment can only be condemnation.

For if we understand culture as the totality of the nation's great intellectual and artistic achievements, that is, the so-called high culture, then we do not have many reasons to complain. Because, if we, as a nation of horsemen in olden times, having paraded and achieved certain successes--and had many more defeats--in Europe's borderland, today we have more right and success in claiming and obtaining a position in this assembly when we step forward, requesting admission to it as a nation of Bartok and Kodaly, Ady and Attila Jozsef, Csontvary, Vasarely or the pentatonic folksongs. It is also a good feeling that the values of high culture in the last decades became the common property of a relatively wide (although not as wide as the statistics show) social stratum. And, with a kind self-deception, we can even fly the flag of great scientific achievements; we do fly it often, not taking it strictly that most of these achievements by our compatriots were made overseas; they could achieve only there since they could not find their home in this country.

But all considered, we can say that Hungarian culture, even internationally, belongs among cultures that have great traditions and achievements, and Hungarian society belongs among societies which make this culture available to a relatively wide social stratum. The balance in this area is undoubtedly positive. However, as I said, there is another meaning of the term "culture," another projection or field, of culture itself. And our balance here--as opposed to the former--is obviously negative. This other projection, of field, is made up of the so-called everyday culture. For culture consists not only of literary works, musical and artistic creation and human experiences related to them, nor of the totality of human behavior affected by

these works. It consists of habits, knowledge, norms and value systems that make possible and regulate everyday life and social coexistence, and of the everyday practice of human and social coexistence, also regulated by them. And this everyday culture, or cultural behavior is just as important, or it is perhaps an even more important prerequisite of human life and coexistence as the high culture. In fact, while the creative energy and social influence of literature, music and the arts are very uneven in the course of society's history, without a necessarily great influence on human and social conditions (we know, for instance, that there is no unequivocal relationship between the golden ages of socioeconomic development and the high and low points in the arts), the changing level of everyday culture, on the contrary, has a direct and strong influence on the life of society and, within that, on the life, and the quality of life, of every individual.

And nowadays we are very much at odds with this everyday culture, or behavior culture. In looking back at events of the past three decades, we can definitely say that the dynamic economic development and the changes in social conditions did not entail and was not sufficiently matched by the development of everyday culture's structures and the enrichment of its fabric. A concise and polarized description of our position may be as follows: ours is a developed country in high culture, a developing country in [its] economy, and an undeveloped or even backward country with regard to everyday culture or cultural behavior. And this backwardness, this separation of our everyday culture has become so extensive today that it is becoming more and more of a burden on the totality of socioeconomic development as well.

It is, therefore, an urgent and important task to assess the results and failures in this area, to discover the causes leading to the present conditions, and to find solutions and the way out. I will only take the first steps in this direction by giving in the following a short outline of the basic ideas of a more extensive essay that is being written.

The Forms of Human Relations

That we still do not have an accepted form of greeting that could be used without hesitation and that we do not even have an adequate form of address, is one of the tell-tale and almost ridiculously striking symptoms of how immature and promiscuous our everyday behavior patterns are. For is it not absurd and ridiculously sad that after three decades we still do not know how to greet and address each other in this new society. The highly hierarchic system of address forms of the aristocracy before the war, stressing class division--with its Your Honor, Esquire, Your Excellency, Your Grace, Young Master and Madam, Sir and my boy, those appropriate for people without rights or title: you Smith, you John, and those revealing an even more aristocratic arrogance: hey, John--broke down shortly after the war. But the past three decades were not enough to develop a simple form of greeting and addressing everyone the same way as it has been established a long time

ago in societies with a more democratic background than ours. In fact, a process has started in recent years to reestablish the hierarchy, only adding to the confusion, undecisiveness, and guilty conscience. For who is entitled to a greeting such as "Kissy'rhand" or Kiss Your Hand or Kiss Your Hands (whose hand shall one actually kiss?), Good Day or I Wish You a Good Day or My Respects or My Humble Respects (for we have already this, too) or Greetings or--cheerfully--Good Morning Everybody or Fitness and Health or Hello or Hi or Hi There or...?

And all of these can be even varied, and mostly must be varied with the address. For, to say laconically to someone, Good Day, can only mean an intention to offend or to signify a state of being offended. When there is no such intention, one must say at least I Wish You a Good Day or, for instance, Good Day, Comrade Smith, but it is best to say I Wish You a Good Day, Comrade Smith.

Anyway, the Good Day is not a very intimate form, it is easier in the morning or evening when--who knows why--one can use the Good Morning or Good Night which seem to be friendlier, more human, more informal; these are appropriate without any addition. But these are still the more simple cases. For how does one greet his female superior if her husband happens to be a party member and his name is, let us say, Varga? Good Morning, Comrade Mrs Varga or Good Morning, Comrade Varga (or, based on the model of the queen and regent queen, this would be proper)--Good Morning, Mrs Comrade Varga?

And should one address her with "maga" or "te" [thou] or "on" [you] or will-you please? Or on the model of the old royal third person (How Is Your Excellency?), even if one does not say, How Is Your Comradeship, but at least, How Is the Comrade? And whom should one address as Comrade and whom as Master* or Sir? When one writes an application, which form is better? Is it Master Minister or Comrade Minister? And at the university, should one say Master Professor or Comrade Professor (according to some people, for instance, the form Comrade Professor is a little too familiar and, according to others, the form Master Professor is the more intimate variation). One does not say Master Department Chief at the district council but one does not say Comrade Doctor to his physician either. At one of our companies--and there are, no doubt, many such companies in the country--the president addresses the female employees by their first names and "maga" [you] and--according to an unknown system--greet them with Kissy'rhand or Good Day (they address him as Comrade N. and greet him with Good Day); he also calls the male employees by their first names but addresses them with "te" [thou] and greets them with Hello (they do the same to him); he addresses clients

*Translator's Note: The address "Ur" in Hungarian is the equivalent of Herr in German. English would generally translate as Sir or Mister but "Herr" and "Ur" have the historical feudal meanings of Lord or Master. The difficulty above is precisely that Hungarian has not yet shed itself of this feudal meaning, whereas German has and can thus be translated as Mister.

asking favors as Sir and Madam, official clients as Comrade and, within this, he addresses the latter sometimes as "maga" and sometimes as "te" (according to the initiates, there is a big difference—greater than between the "maga" and "te" of the everyday practice—between the address forms...and You, Comrade Smith and...and Thou, Comrade Smith); he addresses his driver, just like female employees, by his first name and "maga" and greets him with a Good Day. The driver, on the other hand, calls him Comrade N. and uses "maga" or, sometimes, If-You-Please and addresses the company's female employees, with no regard to position or age, by "Kissy'rhand" and by their company short names like Peg (they call him, almost without exception, by his first name and "maga"). And so forth.

These examples speak for themselves but it is worthwhile to add a few commentaries. Let us see the address form Comrade first. Before the war, this was the address form in the workers' movement and, within that, among the activists of the Social Democratic and Communist parties, expressing mutual ideals and goals, and solidarity. After 1949, its use was extended practically to the whole population, except the classes and individuals branded, or to be branded, as enemy of the people; they had to be content with Master, a discriminating stigma (although this was still better than nothing, for when someone got into real trouble with the authorities, even this Master was dispensed with). In the sixties, then, the restricted use of the [address] Comrade began and continues even today but—unlike earlier—not explicitly to the circle of party members but rather generally to that of bureaucratic positions and, within these, to positions in state government, councils and mass organizations. But the narrowing and redefinition, or new definition, of this address created a vacuum or, rather, a confusion, for no generally accepted address forms were developed outside the circles mentioned. Master still carries the stigmas of the past; it is difficult to determine, who, when and why it is considered natural or strange or even offensive or of a bourgeois nature or even ostentatiously apolitical, rejective, cold, patronizing or, just the opposite, familiar, expressing esteem or even humility, and so forth. We do not even know exactly, which of the two forms is more egalitarian or democratic today. Originally, it unequivocally was the Comrade but if its meaning will continue to be narrowed to the circles of relatively high positions and official relations, and if, on the other hand, the neutralization of the form Master, and the wearing-off of its historic connotations, will go on, then the latter may, sooner or later, assume the role of a general address form that does not differentiate between individuals. At any rate, the confusion in this area is still great.

But there are some aspects that one should also bear in mind in the area of the greeting forms mentioned above. When the director addresses male employees with "te" and female employees with "maga," it may very well be a simple act of courtesy; but it is not strange that he calls both men and women by their first names but only men do the same with him, the women calling him Comrade N.? Why is it that the objective hierarchy between the chief and his subordinates can momentarily, at least in an emotional sense, be ignored in the act of addressing between men but that, with reference to women, it is present and

is emphasized even in these moments? And why is it that the relationship between chief and driver here and—if I am right—at other companies is not democratic but rather patriarchal: the chief jovially, patriarchally calls his driver John and—let us say—jovially, patriarchally inquires about his children, but the driver cannot call his chief John, but greets him jovially—but respectfully—by his last name or official title, that is, he accepts and plays the role assigned to him within the patriarchal relationship.

In other words, although the hierarchic forms and graduations are not as rigid and formally regulated as they were in ancient times, its hidden shame—indeed, elements are very much present—in the form of sly flattering of superiors and showing superciliousness to subordinates. And precisely because they are hidden, they continually nourish confusion and—in addition to other factors—they themselves hinder and slow down the development of simpler, more clear-cut and, above all, more democratic forms of relations.

The institutional forms of human relations are also still stunted. The framework of olden times, already broken down today, was only in part replaced by new ones; the barren [sic]—or the almost nonexistent—village center with its single tavern, or restaurant or tavern combined with a cafe, and its community center—or room—struggling with heating, renovation and budget problems and disinterest, are nationwide characteristics. And the situation is not much more favorable in the cities either: the existing bars, taverns and the run-down, small and solitary movie theaters cannot create the conditions for meaningful social life, and the cafes and cultural centers can do so only for a very small segment of the population; and they can awaken the desire for such social coexistence in even fewer people. The amateur movements, began in the sixties and seventies and—if my information is correct—already losing popularity, can, at the most, somewhat relieve the loneliness only of one or two younger age groups. A recent survey on national life style and quality of life, which I conducted together with Robert Manchín and Laszlo Pustos, also revealed that, even if not in recent years but in recent decades, the activities of societies and clubs have decreased in comparison to previous times; only 20 percent of those asked said to be members of a club, society or association, and 35 percent said they had formerly been members of one or more of these voluntary associations. (It is true that this difference would probably be less if we had isolated age groups, the difference would have been less.)

What does this mean or signify? That people are becoming more lonely, more individual? It is possible. Also, it is not ruled out that this process is general characteristic of the period of economic development which we are presently going through. There are such natural laws. It is a proven fact, for instance, that the lowest rate of births comes about, even in the most diverse societies, with an average annual income of US\$1,000-1,200; it decreases before, and increases afterward.¹ It might be relevant, but not significant, that activities within clubs and voluntary associations evidently play a bigger role in peoples' lives in countries more affluent than ours.²

And if making this parallel is justified, in what part of the process are we at now? Is the number of lonesome people still increasing, or is already decreasing, is the process of individualization continuing or is it already slowing down? This can be clarified only by the series of surveys that have been initiated recently. But one thing is certain: the withdrawal into the seclusion of the family so characteristic today, or the young peoples' loitering, the elders' joint drinking and playing cards—although these can also yield many pleasures and meaningful human experiences—, are in no way as good schools of human and social relations, are not as good workshops for an organic development of social structures as are the clubs or societies in which common tasks hold the members together and regulate their cooperation or shape their relationships with the outside world. We are still poor as far as these voluntary self-regulating and self-enriching forms of social relations are concerned, and this poverty is detrimental to both man and society just the same way as material poverty was in former times.

Social Behavioral Culture

Unlike our sociopolitical institutional system, which is relatively highly developed when compared to the level of our economic development, our cultural social behavior is definitely backward. I could also say that it does not even exist. It has become almost a general attitude that the sick and the old, the abandoned child, the poor, the lonely and the one in need of help are not our concern. This lack of social responsibility would shock an outsider; we do not even notice it anymore.

Not that we are inherently more selfish, more indifferent or more self-centered than others; but we became so because of a few fundamental external factors. Among them, strangely enough, was a circumstance which was, at the same time, in the given historical period, also a prerequisite and an effective means of solving urgent social problems. This circumstance was that we centralized and nationalized the implementation of sociopolitical tasks, later transforming it more and more into an impersonal, automatic, smoothly working machinery. And thus, while making up for deficiencies of many decades, we removed at the same time almost the entire complex of social issues from the sphere of activities and a sense of responsibility of individuals and communities. No wonder, then, that we all—with few exceptions—developed throughout the years this nonchalant and indifferent none-of-my-business or none-of-our-business or it-is-the SZTK's [Trade Union Social Insurance Center]-business or it-is-the-Council's-business or it-is-the-state's-business or it-is-their-business attitude. The technical term for this abnormal behavior, which is spreading in the world's mass societies and especially in those becoming more and more dependent on mechanisms of central redistribution—is "the outsider's apathy" or "apathy of the excluded individual" from directing his own and his community's life.³ However, this social behavior in a society that calls itself socialist is even more striking and absurd than in other societies.

This process was further strengthened in our country, on the one hand, by the long "campaign against charity" whose intentions were legitimate and historically justified but which defeated its own purpose and, on the other hand, by the false, monopolistic and state governing attitude of sociopolitical institutions that they are the only ones qualified and capable of solving problems and that every self-initiated community action may create confusion and make their work more difficult. A good example for this is the violent resistance of the competent authorities faced by physically handicapped people when they wanted to develop, on the model of the National Association for the Blind, their own social organization that would protect their interests, and wanted to actively contribute to the solution of their own and their fellows' problems. As far as the events can be reconstructed today, there were many statements such as "it is superfluous," "it is not needed," "we know everything and will do everything;" and the initiator's determination and zeal, which is so rare in our country, is proven by the fact that they succeeded in creating, even if not a national but at least two local organizations, one in one of the capital's districts and the other in a megye in Transdanubia, and that, according to the news, further associations are being formed.

True, there are already some positive signs as well: it can be read in the papers more and more often now that volunteer workers also participate alongside with professionals in the councils' social welfare programs; and the movement in which socialist brigades support social homes can already demonstrate significant results. But in spite of all this, much more human and social responsibility, voluntary initiative and activity would be needed. Not only because of the problems to be solved, the suffering to be relieved, and requests for help that have not yet been verbalized or are not being heard are many times greater than what can be dealt with institutionally; but also because the sense of responsibility, initiative and communal activity are indispensable elements of a cultural behavior that is on a higher level than the one we have at present.

Cultural Behavior in Economic Activity

In this area, we reached the stage where at least we recognize the worrisome phenomena. For when we think, for instance, about the working morale that from time to time seems to be catastrophic, we are in fact touching upon one of the fundamental components of cultural behavior connected with economic activity. In order to have a somewhat more exact picture that supersedes generalities of working morale and generally of the utilization of human resources, human capabilities, aptitudes and propensities, we also asked a few relevant questions in the course of the national survey mentioned. It is worthwhile to quote one or two data from the results. The breakdown of the answers, for instance, to the question: "Does the work that you do require a major part of your knowledge?", is as follows:

	% of population	% of those presently working
Completely	41.9	60.8
Partly	16.7/27.0	24.2/39.1
Not at all	10.3/	14.9/

Namely, 27 percent of the population and 39 percent or more than one third of those working at present feel that their talents, aptitudes, working capacity and willingness to work are not, to a lesser or greater degree, put to use. These results are also corroborated by the answers given to the question: "Did you end up working in a profession that you really like and that is suited to your talents"?

	% of population	% of those presently working
Yes	47.5	68.7
Partly	10.8/21.5	15.6/31.1
No	10.7/	15.5/

We get a much more negative picture of the utilization of human resources and, indirectly, of the working morale, if we ask people to evaluate, not their own work but the work of others. We present here the breakdown of the answers to the following two questions: "How many out of 10 people in Hungary now have jobs they really like?" and "How many do their work well and in a dependable and excellent way"?

	"...jobs they really like"	"...in a dependable and excellent way"
no one	2.5	2.0
one	2.3	1.7
two	4.4	5.1
three	8.6	9.0
four	9.2	10.3
five	24.7	23.6
six	12.9	14.4
seven	11.5	12.5
eight	13.4	13.5
nine	3.8	3.4
ten	2.5	0.7

Average: 5.8 persons

Average: 5.9 persons

That is, as opposed to the 30 percent of the previous questions, the lack of utilization of human resources is put at about 40 percent; conversely, the working morale or cultural behavior of the participation in productive activities are judged to be about 60 percent of the optimum level.

What we must accept here as an objective fact is, of course, not that indeed only 30 or 40 percent of people work at what they like and do well and in a dependable and excellent way, but that society has indeed a very negative picture of the utilization of human resources: the willingness to work, talents and professional training, and of things related to these—labor efficiency and working morale. And this is just as important and such a hard social fact as would be if [human] resources were actually so poorly utilized.

And I know, although I have no direct experience, that the cultural behavior of the participating parties is low not only in the area of individual behavior and labor efficiencies but also in that of economic processes. If it is true that there is a lack of discipline in implementing contract commitments; that tasks are loosely defined; that the multitude of decrees are as incomprehensible as a jungle; that the relationship between central direction and enterprise autonomy is continually changing and these changes are difficult to follow; that the status of household plots, artisans, retail merchants and, in general, individual undertakings have no long-term and creditable definition and clarification; if all this is true, then how would the cultural behavior of the parties participating in economic activities not be, as a consequence, low, accidental and confused? This cultural behavior will then, in all probability, affect the working morale as well as other areas of everyday behavioral forms.

Political Culture

The fact, that this is considered by many as a "sensitive question," signifies that here, too, there is still much to be done. And how could it be when the overwhelming majority of Hungarians society has had no opportunity for centuries to participate in national or, at least, local politics or in public life. Unlike in some other countries that are in this respect more fortunate than we are, the excellent political school of effective local autonomy could never be permanently created in our villages, and the city or civilian autonomy was in our country also more shackled by feudal and semi-feudal constructions—and later by central or state interference—as also their West European counterparts; the wars and foreign occupations also perpetually interrupted their continuity and, in many cases, permanently destroyed them.

The year 1945 lifted millions out of the state of centuries-old lack of rights and put them among those having political rights; the significance of this change can hardly be overestimated. But people were not given enough opportunities and incentives for the everyday and active practice of their rights; our society did not become the "smart assembly" of people striving to solve their common problems, or the perfect model or workshop of that certain "grassroot" democracy, of democratic practice growing like a plush lawn, out of the thin root-branches of everyday practice.

The passivity which we mentioned in connection with socialist questions, is apparent in almost all areas of private and public life. It has become a national program to develop and to stimulate and develop local, community and workplace democracy organization. Nevertheless, progress is very slow. But an effective institutional system of matching the different group and stratum interests has not yet been developed either and thus decisions are made with the engagement of various informal channels, and this is not optimal from the standpoint of society. The organization of groups to safeguard interests has also hardly been started. What has been started, as we have seen in the case of the physically handicapped, is faced with much too many obstacles; yet these groups, alongside and supplementing parliamentary work, become in the whole world important tokens and building elements of an effective and democratic public life. There is no such a voluntary but active and responsible association open to all citizens--or if there is, one can hardly hear of it or it has already become official--which would, let us say, raise the banner of environmental protection or consumer protection or commuter protection or protecting the interests of residents of districts to be demolished or, let us say, helping the cause of retired and single persons. This does not mean that there are no local or national councils, organizations, cooperatives or offices representing these interests. It means that the everyday and responsible activity of citizens interested in this or that matter and of their colleagues who, for some reason, feel solidarity with them, could greatly increase the efficiency of councils, organizations, unions and offices, and it could supplement, correct and enrich their work. And it could at the same time become a workshop of a high-level political behavior culture.

It is customary to mentally brush aside or actually dismiss such initiatives, if with nothing else, then with people's indifference. I will show again with data from our national survey mentioned how unfounded this custom is. In the course of this survey, we also asked everyone how many forints they would donate a month over 3 years for the construction of a modern hospital to be built with public donations resulting from a social movement. The total average was 130 forints a month or 1,560 forints a year. Applied to the total adult population this would mean about 10 billion forints annually or, if we take donations per family it would mean about 5 billion forints. With this--to continue the arithmetical game--taking the cost of one hospital bed to be 500,000 forints, at least 10,000 but perhaps even 20,000 new hospital beds could be created; in other words, it would take 2 years using the lower figure and 1 year if we take the higher figure into account to build approximately the same number [of hospital beds] as--to my knowledge--are planned by 1990.

The objections are, of course, obvious; it is easy to make pledges in an interview but in reality few people would be happy to make the monthly 130 forints payment; there is no capacity in the construction industry, there is no foreign currency to import equipment, etc, etc. But the scope of such questions is not to make them a basis for such calculations, but rather to

show people's willingness to make even personal financial contributions for creating sociopolitical institutions that are badly needed by all, if they had the means to do so and if its proper and democratically controlled use were guaranteed. It seems that the surpluses and resources of a more active and higher-level communal-political culture exist [already] at least partly.

Political culture is a function not only of the existing institutional system but also of the political socialization process. And in this area, too, there are still things to learn. Let me give you a strange but illuminating example.

A few weeks ago, during the morning broadcast of BBC domestic news in English, the announcer gave the microphone to the correspondent at the parliament who reported the following. At the previous day's session of the Lower House, a group of Labor Party representatives strongly objected against a proposal made by their own labor government to continue wage and price controls in 1979 also. Listening to his dispute, one of the conservative party's representatives demanded the floor--his comments were broadcast live--and, amidst cheers of his fellow representatives, he wittily and elegantly expressed his opinion that--and I will try to quote him exactly--how could a party which cannot even keep its own representatives in line lead an entire country during these difficult times. To this, the labor party spokesman, politely but sarcastically, said something like this: "I would like, above all, to point out that the Labor Party wants to keep neither its representatives nor the country in line. Moreover, labor representatives, unlike the conservative representatives--if I understood the statement of my respected fellow representative correctly--represent their voters and not their party, and they are doing their job when they defend their voters' interests even against their own party leadership." Applause, without doubt from the side of labor representatives. Here ended the first fight.

The second speaker was a labor party representative. He said something like this: "We have read in the press that Prince Charles, heir to the crown, is dating a Catholic girl, and we are concerned about this. For since 1689, according to the Constitution, the monarch may not be Catholic and, according to traditions, may not even marry a Catholic individual. The consequences would be grave if we violated this now. Because first of all, the king with his Catholic wife could not become the head of the Church of England and thus the latter would practically cease to exist; second, this would weaken the monarch's symbolic power, symbolizing the country's unity; third, it would encroach upon the country's sovereignty because with the dissolution of the Anglican Church, the country would lose its religious independence which was won by Henry VIII in his time from the papacy." That was the speech. And a conservative representative demanded the floor right away, if I understood his name correctly, the same one who had lost a short while ago in the labor party's internal dispute. His respected colleague was right, no doubt, --he said--that the 1689 law was important in its time; but he does not think that in the present world situation the pope could seriously endanger England's sovereignty (applause, laughter). Although he is Catholic--he

continued--he would be personally sorry if an institution with such a long history as the Anglican Church would cease to exist; although England has already withstood many blows and storms. But, aside from this, he does not think that the Church of England should shut its doors for the above reasons. And, moreover, to the best of his knowledge, every English citizen has at least the right to choose his life-companion according to his best judgment. He did not think--he concluded--that it would be right to take this right away from Prince Charles who is himself also a British subject and cannot help being a heir to the crown. (If I, as a stranger or even as a barbarian, am evaluating the above correctly, the conservative party with this retort made up its losses in the parliamentary skirmish of that day.)

So much for the moral story. But let us think for a moment, what kind of socializational process the British citizen experiences who day after day is informed during his breakfast in this tone and in this spirit, about things going on in the country, about the common national matters that also affect him, for years and decades. He is a citizen who hears that even difficult questions, loaded with tension, can be discussed in a civilized manner; who is being strengthened in his demand day after day that his representative must, above all, represent his interests, even if these interests clash with the interests or concepts of the ruling Labor Party or labor minister or government; who is a witness, day after day, of examples of mutual patience, but at the same time, of the clear and open formulation of his own view, of lining up unperturbed arguments and counter-arguments in connection with sensitive and important questions; who is being requested through all this, or even through effective examples such as the case of the crown-prince, to evaluate the dilemmas of problems, often difficult to solve, of the relationships between the citizen's rights and duties or between public and private life.

I do not want to overemphasize the significance of these two examples; I will not research at this point how many of the speeches were effective but rhetorically empty and how many of them had real substance and how many were based on an effective institutional system that would substantially enforce this. Nor does this brief parliamentary episode carry any weight in the decades-long dispute about the value of bourgeois democracy. But it could have weight, and I would be happy if it could have some weight on the present line of thinking because in my opinion it is an excellent example of effective and useful socialization. It imperceptibly and pleasantly, without dogmatism or sermonizing, forms civic behavior, mentality and consciousness which are needed in socialist democracy just as in a bourgeois one.

Ruthless Exploitation of the Present Ways of Life and Behavior

If there are few examples for effective socialization, there are quite a few for effective and destructive desocialization. The most striking ones are those which tear people and groups of people away from their familiar

ways of life and then are left to themselves. They should try to survive with a way of life and with a behavioral culture that are strange to them. I will quote a single example for this well-known, and many times rehashed but seemingly uncontrollable process attacked again and again, which is based on a report that recently appeared in the UJ TUKOR. In a rapidly and beautifully developing provincial big city of ours, the construction industry has been for years or even decades, leveling the old-time gardens in order to build prefabricated concrete monsters which accommodate many more people, in place of the houses with gardens. This is the economical way, say the authorities. All they can offer is some monetary compensation and a concrete apartment to those for the most part, elderly people who would rather stay where they were but they are compelled by their good or bad luck to move into one of the stories of an apartment building. And I quote now a few lines of a dialog from the article mentioned.

"Had the council only given me at least a plot. One that is not too far from the bus stop and that would produce this and that... The garden yielded me an annual profit of 20-25,000 forints...."

"Don't you want to live a more peaceful life now, to rest or to see the world"? I asked carefully.

"We cannot have a good time, we are not used to it" [says] the lady waving her hand. Then Laszlo Nagy says:

"It costs 400 forints for two people to go up to Pest. That's 3 quintals of feed!"

It is an enlightening and shocking answer. It shows, how impossible it is to break away, from 1 day to the next or even from 1 year to the next, from a given life style or cultural behavior. If the meaning and form of someone's life, activities, thoughts and human relations are determined by that—without idylizing this life style, its everyday roughness, hardships, but also full of pleasures, and the work around his house and garden, zealous work for the growth of his plants and animals, chopping wood and bringing water from the well, and by using every minute of his life: this man will, without a doubt, enjoy the physical comforts of a dry and sunny apartment with central heating and hot water, but he will in most cases, no doubt, pay a dear price for this. For, whether he wants it or not, he will bring with him the activities, thoughts, wishes, and the entire cultural behavior of his former life in a place where all this has no sense or function. A person who has lived his whole life in diligent activity and with a value system and life style of quiet financial growth, can hardly switch, just like that, to the life style and value system of pure pleasure and pleasure seeking. He will continue to weigh the matters of life in kilos of fodder, prices of feedstuff, that is, in measurement units of his old life, even when he lives in a fully equipped apartment and will never have a garden or chicken-yard again.

That is to say, to use an ugly technical term, he is desocializing as a result of the change; he loses his close connection with his own living conditions and social environment; the forms of his behavior and activity, his gestures and mental processes, which took long decades to develop, become superfluous, purposeless and idle. And if we think that tens--or even hundreds--of thousands of people are pushed into this same difficult situation, into conflict with their own selves, their life styles, their ideals, their goals and their familiar cultural behavior in addition to expropriations and forced moving, by involuntary change of profession, moving from the village to the city, from health to illness, from family life to loneliness, from activity to retired existence, then we must see the serious human and social consequences of desocialization, of the dissolution of the given behavioral cultures.

Undoubtedly, the development of these conditions of desocialization must, whenever possible and by all means, be restrained (and I am referring here to the disputes about new residential districts and the gradual decline of small villages. These disputes, for instance, highly question the accuracy of the calculations of rentability, serving as a basis for present short-range decisions even economically one-sided.) When this is not possible, as in case of illness, disability, death or retirement, the shocking effect of change must be lessened by all means, and resocialization must be aided with new goals and meanings of life. One of the important indications for society's ethical standards and behavioral culture is, how much attention the majority pays to social development and, in general, to existing victims of human life, who always belong to the minority--and not only in times of dramatic catastrophies, floods or earthquakes, but also in uneventful everyday. And we are not, in this respect, in the forefront. A few good initiatives (clubs for retired and lonely people) still reach only a fraction of those who have become estranged from their familiar world and life style.

Communal-Social Consciousness and Behavioral Culture

The consciousness of belonging to different communities plays a significant role in the development and regulation of peoples' everyday behavior and behavioral culture. Without the attractive force of this community consciousness and without these magnetic fields that interfere with and interact with one another, society would break up and disintegrate into its atoms, its individuals. On the other hand, society's unity and activity is also endangered if the consciousness, developed within its framework of one or another community, becomes too strong or too strongly polarized against the others. In theory, it is possible to imagine an optimal level between these two extremes, an intensity level of community consciousnesses that builds up, and is active within society, a rich system of interactions without deforming or shattering society as a whole.

The problem under discussion is important but not yet adequately clarified from the standpoint of sociology and thus I can corroborate the hypothesis, that community consciousness in today's Hungary is detrimentally weak as

seen from the viewpoint of society's healthy and effective functioning, from only spotty and accidental observations and personal impressions. The important awareness of belonging somewhere, which gives a meaning to one's life and which enriches and regulates behavioral culture, is missing in people's lives.

We can only be glad that we have rid [ourselves] of our aggressive and polarized pre-war consciousness of extreme denominational, minority or nationalistic awarenesses that resulted in spiteful and destructive attitudes. However, it is extremely detrimental to our society, for example, that those who still consider it important have for a long time been deprived of the awareness of belonging to a denomination, church or parish; that we have allowed "local patriotism" wither for a long time; that, as I mentioned a short while ago, we have not encouraged but rather hindered social and club life which thus dried up one of the important springs of developing community awareness; that we saw the increasing consciousness of the generations more as a danger than potential and value and that we curbed it as much as possible; that factories, although they achieved large strides were not even able to develop such a factory consciousness among workers as was in those days or another capitalistic factory was able to achieve and today's is able to develop in spite of conflicts between capitalists and workers. True, there have been many favorable manifestations in this area in the last 5 or 10 years such as the announcement and practice of tolerance toward denominations or the open competition between counties, cities and villages or the slow proliferation of clubs, societies and associations; all of this is a prerequisite and well-spring of the development of a more meaningful human and communal behavioral culture.

The situation with regard to class and strata consciousness is much more complex and unsolved. In our social conditions, we usually define the gradual eclipse of class differences and class conflicts as a positive development. However, we do not emphasize enough the fact that the weakening of class consciousness can not only follow but can also precede the decrease of objective differences and conflicts, and this process is not necessarily positive for society. For it deprives people of a community awareness that would still be suitable for their given situation, would clarify their situation, common interests and goals, would give them the strength of togetherness, would coordinate and give a meaning to their life style and behavioral culture. Many observations of details, and more recently a significant number of surveys have also revealed that class awareness has weakened and that there is a certain confusion in people's minds.⁴ Part of the manual laborers no longer feel it a distinguishing category to belong to the "working class." Leading intellectuals, on the other hand, often and readily put themselves in the working class category; "peasantry" awareness has also lost its strength. The accommodation of independent peasants, members of cooperatives and state farm employees is very difficult; the social status of skilled agricultural workers is especially unclear, just as the situation and social status of nonprofessional intellectuals or of those working in the service industries is unclear since their class consciousness is sensitive

and vulnerable. This lack of social identity and social status weakens, confuses and mixes the social structures. It makes it more difficult to define and implement legitimate and necessary group interests. It makes people's social behavior and behavioral culture haphazard and unstructured. It makes society structureless and formless and polarizes society around categories that are difficult to deal with in public activity, such as "poor-and-rich," "they-up-there-and-we-down-here," "they-in-power-and-we-the-powerless," "we-who-work-decently-and-they-the-parasites," "they-the-peasants-striking-it-rich-and-we-struggling-with-salaries" and so forth. But there is also a problem with propriety; for, although, according to our constitution and laws, most capital goods are public property, the behavior of most people is still defined by an anachronistic employee awareness, that is, by a peculiar, mostly unclear mixture of employee-proprietor awareness and this, again, leads to an unclear, undecisive, haphazard and deformed behavior culture.

And to mention an even more sensitive question: there is also a serious problem with nationality awareness as a factor defining people's behavioral culture, emotional culture and mental culture. Let there be no misunderstanding: I do not want to rake over, praise or condemn the strength or weakness, insensitivity or certain sensitivity of the given national consciousness. I only want to call the attention to a peculiar distortion of our national consciousness.

I think we can agree that the overwhelming majority of today's societies need a national consciousness and identity. A cohesive factor, which connects those living at present with the past and future, which potentially enriches human and communal life, and which is needed by our society as well. But very much depends on what the content of this consciousness and identity is. This is where the problem mentioned lies. It was an evident distortion, which seems ridiculous today and ever since singled out many times that at the turn of the 1940's and 1950's the common joy over successes in soccer were perhaps the only open and frank manifestation of national consciousness. And what can be the basis today of national awareness, national consciousness?

In the early 1960's, in the course of a comparative survey⁵ conducted in five countries, people were asked the following question: "Generally, what are those things in your country which you are most proud of"? Fifteen years later, we also asked this question in our national survey. The distribution of those questioned of the answer is found in the following table according to percentage:

	U.S. 1960	England 1960	W.Ger. 1960	Italy 1960	Mexico 1960	Hungary 1978
Social and political institutions	85	46	7	3	30	17
Social policies in Hungary, + "living standard"	13	18	6	1	2	45
Economic system, economic results	23	10	33	3	24	30
Artistic and scientific achievements	4	13	23	19	10	10
Country's physical properties	5	10	17	25	22	7
Human characteristics	7	18	36	11	15	2
Spiritual characteristics and religion	3	1	3	6	8	—
International situation	5	11	5	2	3	5
Other	9	11	3	21	14	22
Nothing! Or cannot answer	4	10	15	27	16	10
TOTAL	158	148	148	118	144	148

The Hungarian data may be compared with the foreign ones only with strong reservations. First, because, as I mentioned, 15 years have elapsed between the two surveys. Second, because we do not possess the coded instructions or the content-analyzing category system of the foreign survey and thus there might be certain deviations in the way they, and we, have variously categorized the data. Third, because the processing of the Hungarian survey's data is still going on and the figures shown here may only be considered as estimates, albeit quite precise estimates.

In spite of these difficulties, a cautious comparison is instructive. It is very characteristic which factors are the principal sources of national consciousness in the different countries. In America, England and Mexico, it is the social and political institutions; during the unfolding of years of the "economic miracle" in Germany, they are the economic results and the human characteristics and the scientific and artistic achievements; in Italy, which was standing before an economic boom, it is the country's physical properties (its landscape and cities) and strikingly forecasting perhaps the social crisis and the currently unfolding disintegration, it has the highest figures representing those who are proud of nothing in their country.

And in our country? After the 15 years of Hungarian "economic miracle," it is understandable that the results of social policies, living standard policies and economic policies should dominate. In other respects, we are in the middle range. With the exception of one item: the human characteristics. In our country only 2 percent of those surveyed say they are proud of their country because they respect people living here for certain talents or characteristics. The number of those giving this factor as the source of their national consciousness is 3 times larger in America, 5 times larger in Italy, 8 times larger in Mexico, 9 times larger in England, and 18 times larger in Germany.

How is this possible and what does this mean? It is evident that people living in America, Mexico or Germany cannot be 3 times, 8 times or 18 times more valuable, better, more talented or more honest than people living in Hungary. But it is possible that they are more valuable for each other. It is possible that the dissipation of human relations, already mentioned, the lack of mature forms of human and communal coexistence, and the neurosis of impatience and exasperation toward each other, slowly becoming of social magnitude, are preventing us from taking notice of each other's values and from cultivating valuable and noble forms of human and communal behavioral culture which we can, with a good feeling and pride, think of as a "national characteristic" or at least as a behavioral virtue, or a behavior cultural characteristic of many people.

This is a exemplary warning of the unevenness and distortion of our development; our economic and living standard growth has no equivalent or counterbalance in the areas of human and communal coexistence. The human and communal dimension of our lives and development is still freakish and stunted.

We must finish this reckoning here. My goal was not to systematically explore this area but only to raise the problem. The picture is thus not at all yet complete but it is perhaps good for stimulating further outlines. For there are still ample things to be considered. Why, we have not even mentioned in this essay the self limitations of the intellectual culture; or the dreariness and immaturity of our emotional culture; or the poverty of our culture of self and human knowledge; or our culture of dispute which still amply uses the primitive tools of theological controversy, exorcism, shadow-boxing, sly avoidance of conflicts, and hitting below the belt; or hygienic conditions in hospitals, in addition to our relatively high-level clinical network and the almost complete lack in some places of hygienic culture; or our indifference toward our behavior regarding public property, the seemingly still uncontrollable but at least already often-mentioned practice of vandalism of railway cars, damaging parks, polluting the environment and wasting energy and raw materials; we have not mentioned the level of sexual culture which is not yet adequately explored in our country but which is supposedly low; this is referred to, only indirectly and not as a decisive proof, by an ethnographic anthology of sexual customs and phrases that appeared a few months ago in FORRAS, relates a sexual behavior culture which,

in spite of its colorfulness and rich humor, will, hopefully, soon permanently disappear. It shows a behavioral culture which turns inhibitions into aggression, which conceals its embarrassing emotions with rudeness, which considers the woman an object and sex only a physiological act, and which, so stripped, is felt nowadays as something barbarian and unacceptable without the enchanting sublimation or diabolic teasings of the folksongs and cunning and spicy fairy tales (that is, of the "high culture").

On the Causes of Falling Behind

It is relatively easy to show or even to prove that we are a country that is developed from the standpoint of high culture, developing economically, and underdeveloped in the area of everyday culture. But it is much more difficult to say what the causes of this relative and big lag are. I refer here only to a few possible causes, leaving the task of exploring this area to further research.

It would not be beneficial to go back to Adam and Eve but we cannot exclude the possibility that the unevenness, the relative lags--when compared with Europe--and catching-up fevers that have often flared up, the weaknesses against strong outside influences and interventions, the balking of furthering self-governing throughout our historical development, and other similar factors again and again muddled throughout the centuries the everyday culture and life style that was trying to develop but rarely could really mature. And it is not impossible that these historical factors--the remote ones indirectly and almost impalpably, the more recent ones directly--played and are playing a role in the fact that our everyday culture is now more muddled and more immature than our high culture and is on a lower level than our economic development. It seems that everyday culture is more sensitive to the effects of the factors mentioned than high culture and it is more difficult for it to regenerate; in other words, it is not capable of climbing so rapidly and spectacularly as is economic life. Among the factors mentioned, the following must, no doubt, also be considered in spite of the fact that they have been mentioned too often and ridden to death in other connections. Indeed, some of them even appeared in those pessimistic historical views that proclaim the weakness and backwardness of our historical intellectual culture.

1. Feudalism, in its time, did not unfold as fully, did not permeate to such an extent all facets of life as in some West European countries.
2. Feudal and semi-feudal institutions and relationships, although they were in those days more unstructured and more unviable than their West European counterparts, they far outlived the latter and, up until very recently, they have hampered and prevented the development of new forms.
3. The bourgeoisie did not develop as soon and it was not as strong as in the developed industrial countries, nor did a rich and unified civic culture develop.

4. We hurriedly imported the results of the industrial revolution and the institutional system of capitalism and wanted to establish them in a few decades without adequate social and economic precedents or traditions.

5. The institutional system of socialism was also ready or semi-ready when we took it over; we hastened too much its establishment in the late 1940's and early 1950's and even today we have only created in part the conditions for its organic development.

6. For a long time, we erroneously thought that the economic and social changes which broke down the old life styles, would automatically create a new life style and thus we did not help, did not push to develop new forms of behavioral culture.

7. We concentrated very narrowly on economic development and even the importance of infrastructural development was discovered belatedly. We hardly even considered that everyday behavior or everyday behavioral culture was precisely one of the most important elements of the infrastructure.

All of these are, however, only more or less remote causes and general aspects. The direct causes, however, whose roots and links are deeply inbedded into our economic and social mechanisms and structures and which hamper the unfolding of a healthier and more civilized behavioral culture, can be explored only through a thorough and detailed analysis. It would be thoughtless and unfounded to come out with suggestions regarding solutions before this work was done. I will only formulate a warning and that, too, only because it directly relates to the topic of this essay.

There is a nice and understandable but vain and not entirely harmless illusion alive in the intelligentsia of the humanities. Namely, the illusion or, in all probability, the delusion that, the same way of taking the dog's hair to cure that dog's bite, the illnesses and curtailments—and many more things—of everyday culture can be best cured with high culture. This illusion is similar to, but even more vain, that the one which supposes a close connection between religious belief and moral-humane behavior. And the same way as this illusion has whirled the sincere believer into doubts and dis-sension for he had to see that religious belief does not necessarily make people any better. Those who think that literature, art and music necessarily make man and mankind more noble and more humane, must be disappointed over and over again. Indeed, there is not even as much connection between high culture and everyday behavioral culture as between religious belief and moral behavior. For most religions have closely defined their dogmas and fitted and forged them, their own plain ethico-religious regulatory system easy to follow in practice; literature and the arts, however, have no clearly defined and relatively easy-to-learn moral regulatory system. And while religions and churches have a giant apparatus for conditioning their believers to their ethico-religious regulatory system, literature and the arts, as I have already enlarged upon elsewhere, have no such a "technology" (only if

we exclude here the not especially effective moralizing analyses of Hungarian classes at school. And although they evidently radiate models for conduct and behavior but no two are alike, and this, no doubt, positive but extremely heterogeneous and indirect influence cannot be felt at all at the short-range level of everyday behavior culture and can hardly be felt in the long range.

The illusion that this influence also has a strong, unequivocal and positive short-range effect can to a certain extent also be detrimental to society. On the one hand, by using excessive forces and energy resources to popularize and propagate the values of high culture thereby diverting the attention from tasks to be done in the area of everyday behavioral culture. On the other hand, and even to a larger extent, by making the impression that the solving of the grave problems of everyday behavioral culture is an exclusively cultural or educational task. Albeit, in reality, as we have seen, everyday culture is a function of a multitude of economic, political and social factors and its fate depends on further shaping and the tendencies of these factors.

Over the last two decades, mostly as a result of a realignment of these factors, a certain civilizational process had begun: a process of developing life styles and systems of human relations and, generally, a more mature behavioral culture. But it would be important to speed up the process and to make it more conscious, and to decrease our still unacceptably great disadvantage in the area of everyday culture and everyday behavioral forms as well. So that we can consider ourselves a developed country, not only in the area of high culture (and, to a certain extent, economically) but also in that of everyday culture.

For (and realizing the difficulty of the tasks, let us return here to the first idea and theme of our essay and to figurative speech which is easier and more comfortable) for a long time we have been getting along very well with works of art and are getting along relatively well with objects, tools and machines, but not very well with each other and in our common affairs. We should also, therefore, put out those certain García Márquezian signs--*mutatis mutandis*--but using other inscriptions, such as for example:

These are the other people: it is probably possible and worthwhile--we should try it--to live and work together with them.

These are public affairs, our common affairs: We should try to stand up and take responsibility for them.

These are our common capital goods: in all probability, it is only possible to work with them really efficiently only with a proprietor's consciousness and rights.

These are the ones that need help, children, the elderly, the disabled, the lonesome: they need not only our taxes but also our active help.

These are ideas and the possibilities of thinking: why would it not be possible to think them through and to make others think them through.

This is the community to which one can and does belong; it is called home, work, class, nation: it is needed but let us handle it carefully for it can also deceive us, it can trap us, it can put us beside ourselves; we should hold on to it only for those of its potentialities, institutions and achievements that are real values.

And we could also put out a summarizing sign that should today still read something like this:

An Ambiguous Country:

there are things in which it is on par with the world's leaders and other things in which it is much more behind; it should be brought to make its everyday at least as carefully and successfully as it makes its works of art.

FOOTNOTES

1. Laszlo Ervin, et alia, eds.: GOALS FOR MANKIND. New York, 1977, p 317.
2. G. A. Almond and Sidney Verba: CIVIC CULTURE, Princeton, 1963, p 302.
3. See Latane Bibb and J. M. Darley: Bystander Apathy. American Scientists, vol 57, 1969. pp 244-268.
4. See Zsuzsa Horvath: Opinions of Social Differences. VALOSAG, 1978, vol 12, pp 78-88. A much more detailed work soon to be published: Tamas Kolosi, Zsolt Papp and Csaba Gombar: Reflections of Social Injustice Awareness and Related Value Orientation.
5. Almond and Verba. op cit. pp. 102-105.

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NOVISAD TV PRESENTING NATIONALITY LANGUAGE COURSES

Budapest KRITIKA in Hungarian No 7, Jul 79 p 2

[Text] The Novisad (Ujvidek) TV embarked on an extraordinary project: it started a series for the mutual language instruction of the nations and nationalities of the Voivodina (Vajdasag). In this framework the Hungarian language course had already been completed. The final broadcast was a round table conference for representatives of the various patron organizations at which the experiences with the undertaking were discussed.

Milica Solarov: As a multinational community we need to learn the language of the nations and nationalities of our province and this is also our social duty. (...) Knowledge of the language enables us to talk to each other, to engage in discussions and thereby better understand each other, to approach one another more closely and also to familiarize ourselves with the cultures and histories of the others. In our province most of the towns are multilingual. This is what obligates us to cultivate the language of the nations and nationalities living in every one of our provinces. (...) In our opinion this is not the task of the schools alone. (...)

Vera Milosavljevic: An equitable use of the languages is rather well achieved in the judicial system but much less so in the executive branch and in the professional services of self-governing communities of interest although they too are attempting to provide the necessary conditions. Within those organizations which are obliged to insure the fundamental rights of citizens—for instance in public health, postal service, transportation and other places—the situation is still not satisfactory and remains way below the needs and possibilities, in our opinion. (...) The cultural map of the Voivodina (Vajdasag) is very articulated, rich and colorful. It has still not sufficiently been discovered and demonstrated, and even we ourselves are not aware of the extent of riches we have. We must emphasize that all that we have—which belong to our cultural activities and cultural heritage—has been created by the nations and nationalities living here, those people who are living here together and are creating together. This language course is a contribution to the activities within this sphere and is an important step in this respect as well.

Dr Milenko Nikolic: (...) In the Voivodina (Vajdasag) all five languages are of equal rank irrespective of the number of people speaking the individual languages. This circumstance created a new situation with respect to learning the surrounding regional languages. I must relate that, when the decision was made, there also were opinions voiced that our people will not learn the regional languages, that the children and young people will not accept additional burdens especially those which are not even compulsory, and so on. Yet today the fact is that more than 80,000 students are studying the regional languages in general and intermediate level education. This is not a small number especially if we consider that we have somewhat more than 200,000 students in elementary school today. In my opinion it is also significant that about 30,000 students who study in the Serbo-Croatian language also study the language of their region. Most of them study the Hungarian, fewer the Rumanian and the Slovakian language. These students consist chiefly of those who live in a multilingual environment.

At many places, language courses are being organized on the basis of TV broadcasts. The comments by some participants were cited in the discussion of the reports by DNEVNIK, the Novisad (Ujvidek) daily.

Branko Abaza, director of the Workers' University of Kikinda: Our listeners are from among the postal workers, bank employees, health and child welfare self-governing interest groups in addition to librarians, employees of the judiciary or members of the house of representatives of the towns. Although language courses are being organized every year, this year there was an especially large interest in studying the Hungarian language.

Andjelka Simic, clerk, Kikinda: I was raised in a Hungarian environment and already spoke Hungarian. How well, I discovered only here. Namely, I used to express myself incorrectly. This is a nice and well organized project. (...)

Kosta Krstonosic, clerk, Kikinda: I am working in the surveyor's office where knowledge of the Hungarian language is quite necessary in dealing with the clients and, irrespective of my age, I decided to register for the language course. (...) A continuation of it would also be necessary.

Zeljko Lemaic, tire mechanic, Novisad (Ujvidek): Wherever I go they speak this language and this course awakened my interest toward learning. I am also often traveling to Hungary and, therefore, have decided to learn Hungarian.

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ARGUMENT ABOUT HIPPIES CONTINUES IN YOUTH PERIODICAL

Budapest MAGYAR IFJUSAG in Hungarian No 25, 22 Jul 79 p 35

[Letters to the Editors, in response to the report, "Blahasok: [Loiterers at Blaha Square]," MAGYAR IFJUSAG No 14, 6 Apr 1979]

[Text] It is very difficult to talk with people without a face, to write a reply to unknown people, because there is no dialogue if one of the parties hides behind anonymity. It is strange that hippies, who allegedly negate everything that is traditionally bad, took over from their predecessors as a "progressive tradition" the writing of anonymous letters. Or is it perhaps not so strange? Let us see then the letters that the "I and many others" so "boldly" take credit for: "We have read an article in the MAGYAR IFJUSAG with the title 'Blahasok'. Unfortunately, it is not the first one that, to put it "mildly", has distorted the facts. We must declare that half of the article is not true."

Which half is meant by the respected stranger? The one which may be gathered as proven facts from police records or the one which was related by their companions, by the hippies who were themselves involved in the case? It is interesting that those living in a peaceful family community in the underground passage all of the sudden ostracize from among them those whose not-so-impressive affairs became public and who are not "rebels" but are unfortunate because of their lives, fates, environments and themselves. Let us continue with the letter: "We, too, are those so-called "hippies" from Blaha Square. It is unbelievable what distorted and idiotic things we read in the paper. We do not say that such things do not exist, but one can find depraved youths everywhere."

Well, he admits in half a sentence that things that are not true can [nevertheless] also happen. But why did I make a connection precisely between them and the "depraved"? Not accidentally. More and more criminal acts are committed by the hippies, more and more often stand trials and this is not my imagination but a fact that can be statistically proven. The question whether a youth first becomes a hippie and then a criminal or vice versa is, from the standpoint of the end result, insignificant. Just like the "great error", that it is not true that a "Blahas" girl may not go steady with a "Kalefos" boy [one from the Moscow Square] is insignificant

from the standpoint of the whole incident. But let it be; it is possible that there is no such a customary prohibition among the loiterers of the under-passes. But what does this change? Nothing. It is also possible that there are "sharp kids" among the hippies who "know more about the world than a college senior". But it would be good to know which world or which part of the world is the one they know so much about, and what it is in which they outdo everyone?

Furthermore, a [college] degree by itself, in my opinion, is not in itself a guarantee of knowledge.)

"We even frankly admit that we love to bum around and travel around the country. True, we belong to the so-called older generation, we are 17 - 18 - 19 - 20 - 21 - 22 years old. There are the tiny ones, too, who only ape us but who will also be different in a few years. It is not worth it to be so concerned about us."

We agree that the dog, too, scratches himself until he gets the annoying tick out from under his skin.

"We are contented this way, we work as much as anyone else, eat as much as anyone else, drink as much as anyone, and will be as good as anyone else from the preceding generation."

Supposing that this will be so, will it be enough to make life qualitatively better instead of just reproducing it on the same level?

"A 17-year-old girl" also set pen to paper:

"About myself, I would want to say only that I, too, belong to the 'Kalefosok'. I also like to loiter, I like to read, I like to drink, I like good music, and I like many other things. I know a great many so-called hippies from Blaha Square, too, and there are a few good people there, too. I want to say by this only that one should not generalize."

Communication between people is not perfect, what one says is understood differently by another. I repeatedly said in that article that not every hippie is a criminal. The article itself did not deal with hippies in general but with two boys who were hippies and this life style was decisive in their lives.

"Many people ask why we meet on squares, because this is already a gang. Generally, a square is the center of a district, everyone being familiar with it. The other thing is clothing; everyone wears what he likes, if its clean, it is nobody's business how long the shirt is or how many patches the jeans have..."

Indeed, it is no one's business. But this has ceased to be a topic for discussion, thanks to an earlier generation, that of the blue jeans.

"... and if the clothes are dirty, there are three possibilities: he should go and wash them or he is a bum or he feels good in it and that's that. Others will not be effected by it, don't worry. I think that discrimination such as wop and hippie is crazy."

I think so, too, but I did not invent it, or did our fathers' or your sisters' age group invent it!

And, finally, one more letter, full of the deepest emotions. The article was only a pretext for its unknown writer, it is not that what she is replying to; she writes down her struggles, rage and thoughts, she wants to prove on paper to herself, too, that she is right. It is too bad that she divides peoples into two camps, into hippies and "the others", separating them by a rigid dividing line.

We are publishing the letter below.

Vera Volgyi

"Although the hippies are called children of the underpasses or even punks, they are not. This hippieness exists nationwide and is not necessarily connected just to underpasses. This hippieness was not created by the calling voice of the Piramis [a rock group] but came about precisely for the individual himself.

To avoid a misunderstanding, I am not defending the "Blahasok", I am not defending anyone, I would only like to say one or two things.

What are we actually talking about? "Useless idling, purposeless loitering cannot make people happy or content who think of themselves as worthy individuals."

At this, too, I can only laugh; is the person happier who goes to work in the morning, comes home in the evening, then there is the family, TV, then he hits the sack and that's it. That, and only that, was his life. Is he any happier? Does he think of himself as a worthy individual?

Or the others, the other miserable and lonesome people, how do they live? Don't they resemble some kind of a machine? Those who blindly accept everything, succumb to their fate and cannot (or don't want to) ever change?

The hippies are not "Blahasok", the hippies are not punks--the hippies are the same as the beat generation of the sixties. When the hippies covered the squares with flowers and set out on foot to go anywhere where they could be together--to the festivals. I am very happy about this. Yes, I am happy. Some kind of movement, some kind of rebellion.

Many people started life with world-saving ideals and at the end got stuck, becoming nobodies. Others, having succeeded to become somebody,

live only, live into high life. They are precisely the ones who live by doing nothing, who have mendations pseudo-goals, who deceive themselves, who strive to go ahead, but where to? Where and how high do they want to go? What is the standard?

Down here in the underpass, it is good. Everyone is like me, everyone loves me and I don't have to compromise or kneel to anyone.

We have a good time and do not want to change. It is precisely the nothingness that we do not like and it is precisely the nothingness that we fight against.

Does it have to be proven that many, a great many people, are not happy even if they have found themselves? The truth is, they are worried about us because of envy, they envy our life style.

We are not indifferent and cynical, we just don't know what kind of life we should prepare for! For the life of the well-combed ones? One recognizes in time that he, as an individual, is not important. Even those famous hippies have no real life. They, too, only exist. With the difference that they are defenseless! As for the hippie, he takes to the road with a strong faith of mind, with a prayer, given by P. Mobil. on his lips, and moves off. He tries to migrate to new and clean surroundings free from all filth and squalor and full of sunshine. And he is really happy for if he has 6 forints, he can still wash himself clean in the "tub-bath"!

A girl

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PARTY DAILY COMMENTS ON BREZHNEV-GIEREK SUMMIT

Warsaw TRYBUNA LUDU in Polish 7 Aug 79 p 2

[Article by M.B.]

[Text] Among the meetings at the highest level in which leading Polish personalities participate, the meetings between the leaders of Poland and the Soviet Union have a special and key significance. The discussion between Edward Gierek and Leonid Brezhnev which took place on 4 August in the Crimea belongs to that group of now traditional exchanges of opinions, judgments, and views between the leaders of both parties and states which gives momentum to our policy and tightens cooperation.

Irrespective of the close contacts maintained between our neighboring and friendly countries in all directions and in all areas, joint consideration of key problems at the highest level plays a special role. It opens wider possibilities for improving Polish-Soviet cooperation and for developing new initiatives for our mutual benefit.

During the meeting in the Crimea the leaders of Poland and the USSR exchanged information concerning the current problems of both countries and concerning their plans for the near future. The differences in the scale of economic tasks which, for natural reasons, emerge between Poland and the USSR are simultaneously accompanied by joint undertakings and analogous goals. This allows for a coordinated economic policy which brings large benefits to both countries.

Edward Gierek and Leonid Brezhnev devoted considerable attention to the possibilities of Polish-Soviet cooperation. Based on lasting foundations, it assures the proper development of many branches of the industry of both countries. The development of cooperation in many areas was emphasized with satisfaction in the Crimea; the striving of both sides to deepen economic integration, both bilateral and within the CEMA framework, was expressed.

The lively and all-round cooperation between the parties which are the leading forces in both countries, the PZPR and the CPSU, is the cornerstone

of the cooperation between Poland and the USSR. Edward Gierek and Leonid Brezhnev emphasized the decisive role of these contacts for strengthening the fraternal friendship of the Polish and Soviet nations.

International affairs, among which disarmament is uppermost, occupied an important place in the discussion of the two leaders. The communique from the meeting in the Crimea stresses that the initiation of real disarmament and the complete liquidation of the threat of world war is the most urgent international task. Let us notice that the talk is about real disarmament, meaning the kind of disarmament where agreements about limiting some weapons are not accompanied by preparations for the development of other weapons, as so often happens in the West.

The necessity completely to liquidate the threat of world war results from the judgment of both leaders that, first, the threat of the outbreak of such a war has been reduced as a result of the progress of detente and, second, that there ought to be more rapid movement along the same road of improving international relations, so as to eliminate completely the danger of conflict.

Both leaders noted the fact that the SALT II agreement contributes to giving the world precisely such an orientation. The improvement of mutual relations between many European states as a result of CSCE also creates possibilities for the development of detente and cooperation. In connection with this, Poland and the USSR ascribe essential significance to the Madrid meeting, which will take place next year within the framework of periodic meetings to review CSCE achievements. The calling of a conference dealing with diminishing the military confrontation in Europe could exert a significant influence on the discovery of constructive solutions.

It behooves us to expect that the disquiet which is expressed in the communique from the discussions in the Crimea and which results from the tendency once again to rebuild NATO arsenals, and especially from plans to equip them with devastating weapons of mass destruction, such as the neutron bomb, will be accurately interpreted in the West. The leaders of both countries emphasized that the realization of similar intentions would be contrary to the universal interest.

The meeting between Edward Gierek and Leonid Brezhnev, which demonstrated their full unity of views on the matters which were discussed, is an important impulse in the system of close cooperation between Poland and the USSR. The enduring nature and development of this cooperation have historic significance for both friendly countries and also for the strengthening of striving for the stability of peace in Europe and the world.

CSO: 2600

PZPR SAID TO ANALYZE, REACT TO CITIZENS' COMPLAINT LETTERS

Warsaw **NOWE DROGI** in Polish No 6, Jun 79 pp 27-36

[Article by Zygmunt Oleniak, Director, PZPR Central Committee Letters and Correspondence Bureau: "For a Diligent and Discerning Handling of People's Problems and Complaints"]

[Excerpts] Each year during its meetings the Political Bureau of the PZPR Central Committee undertakes to resolve problems which result from letters, complaints, suggestions and warnings from the populace. The party administration, and especially the first secretary of the Central Committee attach great importance to the probing and thorough examination of people's concerns and to determining the causes of the injustices which have arisen and to eliminating the reasons behind their development.

With regard to these problems, the intercession of the party serves a dual function. People who turn to the party to intervene in the solution of problems must be given immediate help, whether they are individuals, groups or whole communities. At the same time, it is the duty of party committees to analyze the contents of people's letters, complaints and grievances to determine the causes of the development of the difficulties and problems indicated. This is a necessary condition for setting up a social diagnosis and for selecting those suggestions which would enable the avoidance of various injustices in the future.

In 1978 nearly a half million people turned to the Central Committee and local party channels to intercede in matters dealing with living and working conditions and interhuman affairs in living and working environments. In general, people understand that the resolution of their individual problems is connected closely to the situation in their business, rural commune or region as well as to the state of the socioeconomic development of the country. Hence the authors of many letters do not stop at the explanation of their own specific problems, but go on to relate the details of the waste and losses borne by factories and companies as a result of the neglect of duties by administrative personnel, the lack of supervision and the making of rash, ill-considered decisions. The letters ask why the names of those guilty of neglect are not published, why party and work authorizations of

those who have permitted excessive foreign bank draft purchases, hasty investment decisions, who have not stockpiled raw materials and semifinished products in an amount necessary for the rhythm of production but tolerate the production of poor-quality goods, and the like are not removed. The authors of letters all agree that responsibility and discipline should be demanded not only of the worker, the foreman, or master, but also of managers, directors and ministers. The letter writers point out that this depends in large part on the attitudes of involvement and the example of the management force. They call for the daily positive example, not declarations and the mouthing of slogans, in the solution of problems troubling a particular locality.

The fact that, in the space of 1 year, a half million people turned to the party to intercede in solving their problems speaks for itself. Without question, it gives evidence of growing confidence in the party, but it also indicates the prevalence of a formal and, frankly, sometimes a contemptuous attitude to the people's problems, as well as a lack of appropriate concern for social welfare on the part of many officials of the administration, agencies and institutions. The PZPR Central Committee Letters and Correspondence Bureau is trying its best to improve this situation. We are also careful to see that suggestions issuing from the analysis of letters which reach the Central Committee and local channels become the guiding inspiration for the execution of effective practical action. We believe that at present party channels should devote much attention to the causes of: the decline of respect for common property, the lack of involvement of administrative personnel in solving problems which fall within their jurisdiction, the lacking sense of responsibility for a task to which one has been assigned and, finally, it should attend to the problems of party and on-the-job coping with personnel.

In letters and complaints directed to the Central Committee and local party channels, problems of the operation of the local state administration are discussed. The quality of work of the basic administrative elements, i.e., the rural commune, the city and the city section office are of the greatest importance to our citizens, since most problems are taken there for resolution. For this reason, improving the work of the basic local administrative units continues to be a task of great political and social consequence.

The analysis of the contents of letters and the results of investigations of the quality of service to our citizens by the state administration prove that the problems which the people refer to agencies are resolved sometimes in a protracted fashion, and often incorrectly, without sufficient probing. This is especially true of problems demanding some sort of clarification, the investigation of records, or cooperation with other agencies. In the villages, this is connected with the efficient farming of the land, with agricultural investments and daily matters of production. The charge that the farmer's time is not always used in an economic way by the rural commune administration is not unfounded. This means that sometimes simple problems

will demand many visits to the agency, needless correspondence and a lengthy wait for a decision. The regulations of the Administrative Law Code are not always observed; some rural commune agencies are guilty of an unfriendly, disdainful attitude to those who come with a problem—the elderly point this out in particular. In the cities, the subject of complaints and grievances is primarily the contact made with agencies in matters of apartment and communal living, services and trade and problems of laborers.

The above areas, which cover approximately 75 percent of the matters passing through party channels, are of permanent interest to the Central Committee Letters and Correspondence Bureau. We may be certain that the broad picture continues to manifest many weaknesses in the work of our basic state administrative elements and the departments of voivodship agencies, despite the simplification of procedures for examining and solving problems.

We must come down hardest against the phenomena of bureaucracy, formalism and coldness in the handing out of negative decisions from the voivodship. Many replies are too laconic, often including merely the contents of articles and paragraphs, overlooking the arguments and social ramifications. We meet with cases of the failure to deliver a decision to all interested parties, making the application of revocatory means in accordance with the obligatory legal principles impossible. Cases of the sending of replies through persons not authorized to do so manifest contempt of our citizenry. In this regard, the suggestion has been made to call all interested parties to the agency for a discussion in well-founded cases, during the course of which the reasons that a matter cannot be settled according to the wishes of an interested party can be directly and more fully explained.

The adaptation of organizational structures of agencies to the actual needs of the citizens and the coordination and close cooperation of departments and units at the voivodship and city level are very basic factors for effectively serving the citizen. This is as relates to the problems of the communal and living economy, town planning and architecture, farming and finances. The consequences of shortcomings in the operation of administrative units are often quite drastic, calling forth unnecessary emotions and social tensions.

In spite of visible progress in the area of contact with people and a more discerning approach to matters brought up, there is still insufficient contact with citizens in many departments of voivodship agencies, as well as in rural communes and cities. Department directors, managers, bureau secretaries and directors of services participate minimally in village, municipal and hamlet meetings, and for this reason are not aware enough of the problems plaguing a particular community. The opinions of municipal officials are rarely consulted in the making of decisions affecting cities and villages. It is a well known fact, for example, that the intensification of farm production, the necessity for proper utilization of each piece of land, requires increased attention and assistance by rural commune agencies for each village administrator's office, among other things, by means of the

systematic dissemination of information, explanations, professional guidance and the building of socioproductive initiative. The activity of agencies in Poznan, Przemysl, Lodz, Leszno and Rzeszow are positive examples of such measures.

A good, direct awareness of the local situation and the maintaining of effective broad contacts between municipal officials, village administrators and the inhabitants of cities and villages are essential to the efficient and proper examination and resolution of problems bothering our citizens. This allows voivodship officials to determine the phenomena which occur more rapidly and to make the appropriate decisions, keeping in mind real possibilities and social needs. One type of such contact worthy of note is the reception of citizens by voivods, vicevoivods, directors and managers. These conversations help to clarify matters, mitigate conflicts and strengthen the people's trust and the authority of local leaders. In many agencies, the directorship and party organizations attach great importance to these discussions and the practical uses which follow from their suggestions. There are, however, instances, in more than one agency, in which a citizen who comes in with an important fundamental problem encounters great difficulties in trying to reach the director of a particular unit. Sometimes he is sent to persons who have formerly given out contested decisions or to incompetents.

The work of party organizations places an immeasurably important emphasis on the facilitating of the work of the agency in its contact with the citizen. The stimulation to activity of party members by assigning them concrete tasks and the introduction of effective ways for checking on their execution have a very beneficial influence on the style of an agency. Guaranteeing the possibilities for continually upgrading the vocational qualifications of workers across the board is also effective, especially in the sphere of knowledge of legal regulations and the principles of administrative operation.

Within the bounds of the realization of proposals of the Political Bureau concerning the necessity for improving the work of the administration, party organizations in voivodship agencies, together with secretaries of city and rural commune committees and their managers, last year formulated analyses and evaluations of the ways for handling complaints, suggestions and the demands of the populace. Special attention was given to the operation of the administration with regard to the contact of the agency with the citizen as well as to facilitating service to the people. These evaluations were presented at party meetings, conferences of actives and party conferences at the place of work, with the secretaries of the voivodship committee and the workers of the Letters and Correspondence Bureau actively taking part, and conditions were set up for broadening the outlook on direct contact and cooperating in the approach to the solution of individual matters and the resolution of several problems at the rural commune, city and voivodship level. They also helped to bring about a better understanding among the directors of agencies and party organizations of the range of daily problems of people, as well as of the necessity for more effective functioning of individual officials and the agency as a whole.

The topics of letters which reach the Central Committee and local channels change according to the way the administration of the state solves various problems. Many matters disappear, new phenomena and new social needs arise about which the authors of letters voice their opinions. Repairs and services for tenants rendered by the management on their behalf is such a problem of growing importance.

The repair and modernization of old buildings is a special problem of a very serious nature. In many cities, a significant percentage of houses is more than 35 years old. Most of them do not have the necessary appliances and equipment. Checking the process of depreciation of these buildings and modernizing them is not only a technical problem, but is becoming more and more a social problem, since they are often inhabited by older persons who are good workers and have grown so attached to their residences as not to consider a new location. Included among these are also lower-income families for whom a higher standard of living is beyond their means.

Local leaders have accepted the form and method of investigations carried on by the Central Committee Letters and Correspondence Bureau. An exchange of views on the topic of the shortcomings and difficulties that are said to exist as well as the positive experiences that have occurred has become a catalyst for setting in motion the activity of enterprises of the communal economy, housing cooperatives and organs of tenant self-government. At party channels and at sessions of the national councils, a summary of the results of investigations was made and the tasks of the state administration, housing cooperatives and self-government organs were outlined. In Plock and Koszalin the plenary sessions of voivodship committees were devoted to these matters. In Lodz, Legnica, Opole, Poznan, Wroclaw and Zielona Gora the executives of the voivodship committee deliberated on this subject, as did the city and city section committees at their plenary sessions.

The number, character and variety of matters and problems brought up in letters to party committees consumes much of the time and energy of both workers of the party, apparatus and actives. Many matters are investigated personally by members of party channels and groups and committees for dealing with complaints and suggestions. Experience shows that without the active involvement of the party actives, a speedy and accurate analysis and resolution of the problems and warning signals issuing from the populace is not possible. The obvious suggestion also occurs that we should continue to attend to improving our work with party actives. However, the problem does not boil down merely to a still more thorough investigation of individual matters. We must also undertake activities of a preventive nature.

In 1978 the voivodship committees devoted much attention to the problems issuing from letters, complaints and various sorts of indicators of people's troubles, complaints, abnormal interpersonal relationships and matters connected with daily life and work. This was manifested in the patient hearing out of supplicants in the reception rooms of the voivodship committee,

the granting of assistance in the resolution of sometimes difficult and socially proliferating problems, and the periodic evaluation of these problems by the executives and secretariats. We must emphasize the involvement of the voivodship committee secretaries in matters necessitating constant intervention, which is important for the improved understanding of people's concerns by the state and economic administration and has given great import to these problems in the whole picture of party activity.

Good will and thoroughness, which are characteristic of the attitude of workers of the party apparatus and actives to matters which involve working people, are not always shared by those comrades working in the administration. There are, unfortunately, those directors of agencies who feel that concerning themselves with such "petty, small and trifling people's problems" is beneath their dignity, since they have been called and even created, in their own opinions, for higher things.

In many agencies, institutions and businesses, the practice of evading oneself against responsibility for one's decisions and an atmosphere which is very harmful from a social viewpoint have developed. A program of saying no to people's requests seems to rule the day. This is "easier" than waiting until the problem reaches a party committee or a superior official, until a recommendation comes from above to resolve the matter positively, with a yes answer. Such an attitude results, among other things, from the simple fact that hardly anyone has to justify the negative resolution of even a simple and obvious matter, while a positive decision must be justified many times before various kinds of inspectors. The situation should be changed so that those responsible for investigating and resolving people's problems would have to justify their negative responses publicly, on the pages of the press, on the radio and television in cases where a positive solution is possible and within the jurisdiction of the particular administrator. A negative reply must be fully justifiable. We should create a social climate fostering this by means of our propaganda activity.

As I noted above, the personal reception of those who come with complaints, grievances and suggestions, by ministers, voivoda, presidents, directors, managers and heads is of immeasurable importance for the proper handling of people's concerns, i.e., both thoroughly and fairly. Most of these comrades do so already out of a sense of party principledness and high personal culture. Difficult problems affecting workers, tenants and customers are better understood if these problems and misfortunes are confronted eye to eye and face to face. It is true that what is essential is tact, familiarity with the problems, the competence to make a positive decision, as well as the courage to say no when the people making the request are in the wrong or, for various reasons, the matter cannot be resolved positively. It is unnecessary to prove that personal contact with the man on the street or the worker makes for better control at the place of business, the company, the agency and the department.

There are, however, those comrades who, despite their party and state duty, do not receive petitioners. They find many pretexts for passing on this "unpleasant and burdensome duty" to their assistants or to a lower level. An evaluation of the reception of petitioners made in 1978 by the ministers and directors of central agencies showed that among these people there are those who, in the course of a year, have not received even one petitioner, or have manifested insufficient activity in this regard. It is simply hard to believe that in the machine or construction industry, for example, no problems existed for the workers or machine operators to bring up for hearing out personally by ministers. It is hard to believe that in the situation of an insufficiency of many medicines and market goods for universal consumption and of complaints about the quality of goods and services, there were so few people in the chemical industry, light industry, food services and health services who wished to see ministers. At the same time, many letters complaining of poor workmanship, the poor quality of new apartment buildings and interpersonal relationships in the enterprises under these departments reached the PZPR Central Committee.

8534

CSO: 2600

UNIVERSITIES, AGRICULTURE MINISTRY HELP TEST MILITARY VEHICLES

Cross-Country Vehicle Testing

Warsaw ZOLNIERZ WOLNOSCI in Polish 10 Aug 79 p 3

[Excerpts] Over the past several weeks in the fields of Lomza Voivodship's large state meadow farm in Wizna one might have come across a six-wheeled vehicle as yet rarely seen on Polish roads. It is bringing workers, supplies and spare machinery parts to regions of the farm which are not easily accessible. This is the light cross-country vehicle (LPT) which was designed at the Military Institute of Armor and Automotive Technology [WITPiS]. Specialists from the ministry of agriculture, who feel the shortage of such cross-country vehicles, at one time had taken an interest in it.

It is worth recalling that the light cross-country vehicle is a close relative to the popular "little one." Its design was based on standard Fiat-126p systems and components. The general outline, working model and documentation for the serial production of prototypes were made by a team of workers from the Department of Vehicle Development of the WITPiS. The first 10 vehicles were produced by the Military Motor Transport Work No 5 [Wojskowe zakłady Motoryzacyjne nr 5] in Poznan. It has been outfitted with an unconventional plastic vehicle body with a removable canvas cover and a tilt windshield like the camping trailer from Niewiadowo. Apart from these, all power transmission, running gear and steering system assemblies as well as the electrical and brake systems come from the Fiat-126p.

As the director of the Department of Vehicle Development, Prof Dr Eng Zbigniew Burdzinski informs us, currently several prototypes are also undergoing testing in military units. The purpose of the tests is a study of the assemblies' durability and reliability as well as of the LPT's suitability for military purposes.

Warsaw WOJSKOWY PRZEGLAD TECHNICZNY in Polish No 6, Jun 79 pp 266-268

[Excerpt] Since 1972, the Military Institute of Armor and Automotive Technology has been cooperating with the University of Warsaw's Department of Mediterranean Archaeology and the Agricultural University of Warsaw in the organizing of successive student scientific expeditions to Africa and Asia. The Institute's form of cooperation has consisted of: preparing means of transportation for use under tropical conditions; the compiling of a spare parts kit containing those parts which are essential for vehicles when operating at a distance from a technical support facility; and finally, the amassing of data on the operation of vehicles under different weather and road conditions.

Using data from available literature, preparations were begun on two Star 660 trucks for an expedition organized by the University of Warsaw's Institute of African Studies to the countries of West, Central and East Africa. The following changes were made on the vehicles: the cooling system's capacity was increased by using an additional 8 liter radiator; the air filter was moved to the back of the cab and an air scoop was constructed on top of the cab; the fuel lines were heat insulated; the ignition system was changed from shielded to unshielded; and the vehicles were painted in pale colors.

While cooperating with the Research Center of Mediterranean Archaeology, PAN, the Military Institute of Armor and Automotive Technology took part in an expedition to Asia (Pakistan). Two 1974 model Star-266 trucks were used as the means of transport on this expedition. Apart from a pale color paint job and the installation of additional halogene lights, no essential changes were made on the vehicles.

The Agricultural University of Warsaw, which organized an expedition to Asia (India) in 1977, was provided with one Star-266 which returned from Pakistan with an odometer reading of 21,000 kilometers. Before departure just a general inspection and necessary repairs and adjustments were made.

Both of the Star cross-country vehicles participating in the expeditions to Africa and Asia lived up to their expectations completely. Of course, the Star-266 is a new vehicle and therefore did not require the significant adaptations which were necessary on the Star-660.

The collected performance data has enriched the experience of the Military Institute of Armor and Automotive Technology and has found practical application for vehicles currently being used in the Near East.

CSO: 2600

BRIEFS

CARDINAL RUBIN IN POLAND--Cardinal Wladyslaw Rubin arrived in Poland on 21 July. This visit is of a rest nature. Monsignor Franciszek Maczynski, rector of the Polish College in Rome, came with the cardinal. At the international airport Cardinal Wladyslaw Rubin was welcomed by Bishop Bronislaw Dabrowski, secretary of the Episcopate; Bishop Jan Mazur, Siedlce ordinary; and also Docent Dr Bohdan Bejze, Lodz suffragan. Aleksander Wolowicz from the Office for Religious Affairs came for the welcoming. In the welcoming party, among others, were Monsignor Hieronim Gozdziwicz from the Secretariat of the Primate of Poland and Monsignor Wacław Szetełnicki from Wrocław. [Text] [Warsaw SŁOWO POWSZECHNE in Polish 23 Jul 79 p 1]

MILITARY CHAPLAINS CONFERENCE--PAP--On occasion of the 35th anniversary of the Polish People's Republic, a briefing of chaplains of the Polish Army took place in Lublin on 25 July. On the occasion of this, the Lublin governor, M. Stepień, received the Chaplains of the Polish Army, Rev Col J. Humenski; his deputy, Rev Col J. Mrugacz; as well as the following chaplains: Rev Captain [Navy] A. Wystrychowski, Rev Lt Col E. Dybek, and Rev Maj S. Obaszynski. During the meeting the Lublin governor informed the guests about the achievements to date of the voivodship during the 35-year period and also about the prospects for development. The Chaplain of the Polish Army extended congratulations to the governor on the successes of the populace of Lublin voivodship in implementing the socio-economic tasks as well as wishes for success in the future. The participants at the briefing placed flowers at the Monument to the Victims of Majdanek and toured Lublin [City] and also looked at, among others, the B. Bierut monument, the Lublin Castle museum, and the new residential sections. [Text] [Warsaw SŁOWO POWSZECHNE in Polish 26 Jul 79 p 1]

CSO: 2600

LAW ON FINANCES AMENDED, SUPPLEMENTED, REPUBLISHED

Bucharest BULETINUL OFICIAL in Romanian Part I No 59, 13 Jul 79
pp 1-32

/Law on Amendment and Supplementation of the Law on Finances/

/Text/ On the basis of Article 57 of the Constitution of the Socialist Republic of Romania we sign and direct that Law No 2 of 6 July 1979 on Amendment and Supplementation of Law No 9/1972 on Finance be published in BULETINUL OFICIAL AL REPUBLICII SOCIALISTE ROMANIA.

Nicolae Ceausescu
President of the Socialist Republic of Romania

Bucharest, 13 July 1979.

The Grand National Assembly of the Socialist Republic of Romania adopts this law.

Article I. Law No 9 on Finances, published in BULETINUL OFICIAL AL REPUBLICII SOCIALISTE ROMANIA No 136 of 26 November 1972, is amended and supplemented and has the following contents:

Law on Finances

The overall and rapid development of all the national economy, on the basis of the Romanian Communist Party Program for building a multilaterally developed socialist society and Romania's advance toward communism, requires the continuous upgrading of economic-financial management and planning and the improvement of efficiency in all areas of activity.

Under these conditions there is a significant increase in the role and functions of finance, of the whole economic-financial system in ensuring the continuous progress of the national economy, the promotion of greater material output, the optimal

determination of levels and rates of economic growth, assuring of financial, monetary, and foreign currency balance, sensible distribution of the national income for the national fund of socioeconomic development and the consumption fund, and in improving the standard of living of all the people.

In the process of formulation and implementation of the uniform national plan, of the state budget, and of the income and expenditure budgets, the Ministry of Finance, the banks, ministries, the other central and local organs, the collective leadership bodies in economic units, all working people must systematically act so that each socialist unit may conduct its activity in the context of high economic efficiency and ensure the full and better utilization of material and monetary assets, the implementation of order and discipline in using these assets, reduction of materials expenditures and rise in net output, promotion of technical progress, increase in labor productivity, wise utilization of investment funds, and growth of the efficiency of export and of international economic and technical-scientific co-operation programs.

Chapter 1. Goals, Basic Principles of Finances

Article 1. (1) Finances are actively involved in the Romanian Communist Party policy of socioeconomic development of the country and advancement of the material and spiritual standards of the people.

(2) Finances help to insure the planned establishment, distribution and utilization of the monetary assets of society for the continuous increase in material production, the growth of the productive forces, the broad promotion of scientific research, technological development and introduction of technical advances, the expansion of education, culture, and health care.

(3) Finances are instrumental in the preparation and implementation of the uniform national plan, the proper operation of the economic and social system and the accomplishment of worker self-direction and the economic-financial self-management of units.

Article 2. (1) Finances help to exercise overall and constant supervision over the development of the social production process, for the purpose of obtaining the highest possible economic efficiency in all areas of activity and the wisest possible management of material and monetary assets of society.

(2) The economic-financial factors must promote the development of production and marketing, services, export, the greater competitiveness of Romanian products on the foreign market, the better use of the material and financial assets of society, the more rapid turnover of funds, the highest possible yields at the lowest possible consumption rates for materialized

labor and, on this basis, the continuous increase in the national income.

Article 3. In the implementation of the economic-financial policy, of harmonious and balanced development of the national economy, finances are designed to ensure, in the context of the overall economic balance, the maintenance of the financial, monetary, and foreign currency balance and help to consolidate and increase the purchasing power of the national currency, both on a domestic scale and in relation to other currencies.

Article 4. (1) The economic units are required to assure the payment of costs from their own incomes and repay, in the shortest possible span of time, for the monetary assets received, in accordance to the principle that the sums advanced by society must be repaid.

(2) Each economic unit, on the basis of the results obtained, must help to establish the overall funds needed by society, to form the funds for its own expansion, and the funds earmarked for material incentives to working people, in line with the program for upgrading the standard of living outlined by the party and state.

Article 5. (1) The economic units in state industry are required to pay into the state budget a part of the newly created value in the form of allotment to society of a portion of the net output value.

(2) Allotment to society of a portion of the net output value is each state economic unit's input into the formation of the funds needed for the overall development of society.

(3) Allotment to society of a portion of the net output value shall be calculated for all the economic unit, by applying a percentage rate on the net output value determined in conformance with the law and shall be directly paid from the financial results.

Article 6. In accordance with the principles of democratic centralism and economic-financial self-management of units, the economic-financial policy helps to assure the concentration and focusing of financial resources on the implementation of the country's socioeconomic development and the expansion of the initiative, responsibility and decision-making and action ability of the collective leadership bodies in socialist units in utilizing the part of the national wealth which was entrusted to them for administration.

Article 7. Financial relations and monetary circulation develop in a planned manner, on the basis of a unified system of financial

plans, which incorporates the income and expenditure budget of socialist units and the financial plans on the national economic level.

Article 8. (1) The socialist units' own funds and any other monetary assets shall be used only in accordance with the provisions of the uniform national plan of socioeconomic development and of the income and expenditure budget and in the context of observance of the standards and regulations specified in conformance with legal provisions.

(2) No expense, regardless of the funds underlying it, shall be approved or effected if it was not preliminarily evaluated, in conformance with the law, by the head of the financial-accounting department or by other persons responsible for preventive financial supervision in socialist units, and by other bodies with this kind of duties in the economy.

Article 9. (1) The worker collectives in each socialist unit are responsible for the proper management of material and financial assets, for the top efficient development of the entire activity, for the obtaining of better economic-financial results by boosting production, increasing labor productivity, and continuously reducing materials expenditures.

(2) The collective leadership organs of socialist units are responsible for the efficient utilization of the assets entrusted by society to these units and of their own assets, for the obtaining of the incomes needed to repay the monetary amounts advanced by society, the payment of the sums due to the state budget or to the hierarchically higher organ, for the formation of their own funds, for the obtaining of the planned foreign currency resources, and for the wise administration and maximum utilization of all the material and financial assets.

(3) The socialist units are required to assure strict evidence and rigid and systematic control over all the material and financial assets, over economic processes and the results obtained.

Chapter II. Formation and Distribution of Monetary Funds in the National Economy

Section I. National Fund for Socioeconomic Development and Consumption Fund

Article 10. (1) In the Socialist Republic of Romania the national income, as a newly created value in industry, agriculture, construction, transportation, and other areas, represents the basic source of the monetary funds which are established in the economy.

(2) The national income is allotted to the national fund for socioeconomic development of the country and for the consumption fund.

Article 11. The national fund for socioeconomic development, in financial expression, involves a unified and correlated system of funds which includes:

- a. The central fund for socioeconomic development;
- b. The local fund for socioeconomic development formed in the administrative-territorial units: counties, municipalities, towns and communes;
- c. The own funds for socioeconomic development of state economic units: enterprises and centrals;
- d. The own funds for socioeconomic development of the units of agricultural, artisan, and consumer cooperatives and of the other mass organizations;
- e. The funds used by the people for dwelling and household construction, boosting of output and of livestock, and for other similar assets.

Article 12. (1) The central fund for socioeconomic development is established within the framework of the national budget, from its incomes.

(2) The local fund for socioeconomic development established in the administrative-territorial units is formed within the framework of budgets of counties, municipalities, towns, and communes from: their incomes, from resources outside of the state budget, deriving from the socialist units, and from the monetary input of the people, in accordance with the legal provisions.

Article 13. The central fund and the local fund for socioeconomic development shall be utilized, in conformance with the provisions of the uniform national plan and the state budget, in state socialist units, for the financing of investment projects and circulating assets, the formation of state reserves, other economic projects and undertakings, the expansion of the material base of state social-cultural units and state organs, and for other purposes specified under legal provisions.

Article 14. The consumption fund returns to working people and their family members, in conformance with the law, through the following channels: payment according to the quantity, quality, and social importance of the work done, profit sharing and social remuneration from the funds of the state budget or from the socialist units' own funds.

Section II. State Economic Units' Own Funds

Article 15. (1) The state economic units' own funds are established on the basis of profit, amortization of fixed assets, and other resources specified by the law.

(2) Profit is the part of the newly created value in the production activity of economic units, established after the allocation of the following factors: assignment to society of a part of the net output value; payment of the work force and other entitlements involved; expenses for research and introduction of technical advances; taxes on the overall remuneration fund; social security dues; other expenses related to live labor.

(3) The allocation rates from the net output value and the modalities of payment of the allocation shall be specified by a decree of the Council of State.

(4) The fixed assets shall undergo amortization for the purpose of assuring their reproduction, encouraging their utilization with greater economic efficiency and for the continuous promotion of technical progress and boosting the productivity of materialized labor.

(5) The procedure for the formation, planning, destination, and payment of profit and amortization of fixed assets shall be established in accordance with the law.

Article 16. (1) The state economic units' own funds for socioeconomic developments shall be formed and utilized, under the law, distinctly and are the following:

A. For enterprises:

- a. The fund for economic development;
- b. The fund of circulating assets;
- c. The fund for housing construction and other social investment projects.

B. For centrals:

- a. The fund for financing investment projects in new enterprises and for financing major expansion projects;
- b. The reserve fund for circulating assets.

(2) In the case of enterprises which are directly subordinate to ministries and the other central and local organs of state administration, the funds specified for centrals under (a) and (b) shall be established at the level of the hierarchically higher organs of these enterprises.

Article 17. For working people's profit sharing and for ensuring a part of the social remuneration from local resources, the state enterprises shall establish the following funds:

- a. The profit sharing fund for working people;
- b. The fund for social programs.

Article 18. The enterprises may also establish, in addition to the funds specified in articles 16 and 17, the following funds of their own:

- a. The fund for research, development, and technical progress;
- b. The fund for labor safety;
- c. Other funds specified by legal provisions.

Article 19. The provisions of this law on the enterprise's own funds shall be correspondingly applied also to industrial centrals and other centralized units for their own activity.

Article 20. (1) The enterprise's fund for economic development shall be established in the limit of its investment costs, determined on the basis of the annual provisions in the uniform national plan and the income and expenditure budget -- with the exception of the major expansion projects and of housing construction and other social investment projects -- and on the basis of the installments due of the bank credits received for the financing of the investment projects, including the interest involved.

(2) The sources for the formation of this fund are: amortization of the fixed assets left after the funds received from society for investment projects were repaid, other resources for financing investment projects such as those derived from good use of materials, parts and machinery resulting from the inactivation of fixed assets, after the expenses involved were deducted, and also the profits obtained under the plan and above the plan, under the legal provisions.

Article 21. The enterprise's fund for circulating assets shall be established from the profits obtained under the plan and from other resources, under the legal provisions, within the limit of a portion from the the planned annual increase in total circulating assets specified concomitantly with the state budget and of the installments to be repaid into the state budget from the sums received by new enterprises for the required amount of circulating assets in the first year of activity.

Article 22. (1) The fund for housing construction and other social investment projects shall be established within the limit of the costs for these facilities, determined on the basis of the annual provisions in the uniform national plan and the income and expenditure budget and of the due installments from the bank credits received as a supplement, including the interest involved.

(2) The sources for the formation of this fund are: the amortization related to dwellings and the other social fixed assets, the sums which resulted from the utilization of social fixed assets which were inactivated, the incomes obtained from cultural events in an amount determined by the working people council, the profits achieved under the plan and above the plan and from other incomes, in conformance with the law.

(3) The fund for housing construction and other social investment projects shall be used for the construction of dwellings for the work force and for the construction and equipment of worker hostels, nurseries, kindergartens, cafeterias, and clubs and for completion of other social investment projects.

Article 23. (1) The central's own fund for financing investment projects in new units with legal entity, inclusively for housing construction and other social investment projects for these units and also for financing major expansion programs in subordinate enterprises, which are in operation, specified distinctly in the uniform national plan according to Appendix No 1 to this law, shall be established in the limit of the financing needs, specified in conformance with the plan and legal provisions.

(2) The sources for the formation of this fund are: the portion of amortization of fixed assets taken over from enterprises, including the amortization difference which was left after the establishment of the enterprise's own development funds, payments from profits of subordinate enterprises for repayment of the funds received from society for financing investment projects, other resources prescribed by the law, and amounts from the state budget.

Article 24. (1) The sums available at year end from the enterprise's fund for economic development and from the investment fund established in the central or centralized units, derived from the economic units' own resources shall be used the next year for financing investment projects that were carried over, in accordance with the law. The difference which was not used and the one left after the central's own investment fund was formed, shall be paid into the state budget.

(2) The sums left unused at the end of the plan year under the fund for construction of dwellings and other social investment

projects derived from local resources shall be carried over to the following year for the same purpose, in accordance with plan provisions.

Article 25. The reserve fund for circulating assets which is established in centrals shall be formed by taking over a proportion of 0.5 percent of the annual increase in the fund of circulating assets established by the subordinate enterprises and shall be utilized for the temporary supplementation of the circulating asset requirements of subordinate enterprises and other expenditures provided for by the law.

Article 26. (1) The state enterprises are required to repay the funds received for financing investment projects and those for the required amount of circulating assets in new enterprises during the first year of activity.

(2) For the new enterprises the requirement for repaying the sums received for financing investment projects shall begin in the year following the putting into operation of the investment projects involved.

(3) The repayment of the sums received for financing investment projects shall be made from the amortization of fixed assets and from planned profits, in amounts specified by the law, to the extent that the repayment requirement cannot be met in the plan year from the amortization of fixed assets. Repayments are effected at the central and are used by it in establishing its own fund for financing investment projects.

(4) The sums advanced from the state budget for the necessary amount of circulating assets of new enterprises, during the first year of activity, shall be repaid within the periods specified under the law by payments into the state budget, after the putting into operation of the unit involved, from the fund of circulating assets.

Article 27. (1) Each economic unit is required to conduct profitable business.

(2) For activities of ensuring and expanding the base of raw material supplies and for special activities specified by the law, the state may, exceptionally grant budget subsidies to the units that under the plan are unable to fully pay for their expenses from their own incomes. Budget funds shall also be granted for geological prospecting and research approved under the uniform national plan and for complex research of overall interest approved under the law.

(3) The units for which budget subsidies are granted shall be approved annually concurrently with the state budget.

(4) For the economic units which do not cover their expenses from their own incomes, others than those specified under Paragraph (2) the special system of economic-financial supervision stated by this law shall be applied.

Section III. Cooperative and Mass Units' Own Funds

Article 28. (1) The own funds for socioeconomic development of the units of the agricultural, artisan and consumer cooperative systems and of the other mass organizations are the following:

- a. The fund for economic development;
- b. The fund for circulating assets.

(2) For artisan and consumer cooperatives the fund for housing construction and other social investment projects shall be established.

(3) The funds specified in Paragraph (1) shall result from the profits obtained, amortization of fixed assets and other local resources.

(4) For agricultural, artisan and consumer cooperative units, the fund for economic development shall also be based on the cash amounts that may be annually deposited by each cooperative member, which represent the social share in his ownership from the commonly-owned property.

(5) Moreover, agricultural machine operators and experts, who work in agricultural production cooperatives, may annually deposit a cash amount into the cooperative's fund for economic development, under the same conditions and enjoy the same rights as the members of the cooperative.

Article 29. For working people's profit sharing and for ensuring a part of the social remuneration from their own resources the cooperative and mass organizations shall establish the following funds:

A. Agricultural, artisan and consumer cooperative units:

- a. Fund for profit sharing of cooperative members and personnel working under labor contracts;
- b. Fund for profit sharing in the social share, formed from cash deposits of cooperative members;

- c. Fund for cultural and sports programs;
- d. Other funds for social projects.
- B. Intercooperative economic associations:
 - a. Fund for working people's profit sharing;
 - b. Fund for social-cultural and sporting programs.
- C. Associations of agricultural production cooperatives with state units or units of consumer cooperatives:
 - 1. Fund for working people's profit sharing.

Article 30. Agricultural cooperative units in addition to the funds specified in articles 28 and 29 shall also establish from their own profits the following funds of their own:

- A. Agricultural production cooperatives:
 - a. Reserve fund for production and work remuneration;
 - b. Intercooperative fund for mutual aid and consolidation.
- B. Intercooperative economic associations:
 - a. Mutual aid and reserve fund;
 - b. Shares due to the associated cooperatives.
- C. Associations of agricultural production cooperatives with state units or consumer cooperative units:
 - a. Reserve funds;
 - b. Insurance fund;
 - c. Shares due to associated units.

Article 31. The procedure for establishing and utilizing the funds specified in articles 28, 29 and 30 shall be stated in the bylaws of cooperative and mass organizations.

Chapter III. Income and Expenditure Budget and the Other Financial Plans. Evidence of National Wealth

Section I. Income and Expenditure Budget and the Other Financial Plans

Article 32. (1) Leadership of financial activity, at all organizational levels of the national economy, develops on the basis of the income and expenditure budget and the other financial plans, making up a unified system.

(2) The financial plan system includes:

- a. The income and expenditure budget of: enterprises; centrals; social-cultural and administrative institutions; ministries and the other central organs; communal, town, municipal and county people's councils; cooperative and mass organizations;
- b. The state budget, comprised of: the national budget, the local budgets of communes, towns, municipalities, counties, sectors of Bucharest Municipality and of Bucharest Municipality;
- c. Cash plan;
- d. Credit plans;
- e. Balance of cash incomes and expenditures of the people;
- f. Foreign payments balance;
- g. Centralized financial plan;
- h. Territorial financial plan of counties and Bucharest Municipality.

Article 33. The monetary relations in the economy which are reflected in the income and expenditure budget and in the other financial plans are expressed by a system of indicators. The financial indicators for the 5-year period shall be approved by the law on the adoption of the five-year plan, and annually by the law on the adoption of the state budget.

Article 34. The income and expenditure budget and the other financial plans shall be worked out in accordance with the principles and criteria incorporated in the Law on the planned socio-economic development of Romania, and with the provisions of this law.

Article 35. (1) The income and expenditure budget and the other financial plans may only be amended if there are amendments in economic plans, prices and tariffs, transfers of units, programs

or assignments between plan coordinators or between units subordinated to them, and in other well-justified cases, in conformance with legal provisions.

(2) The amendments in financial indicators for expired periods are prohibited, except in cases which are specifically authorized by legal provisions.

(3) The plan targets on financial indicators may be only amended by the organs that approved them.

Article 36. (1) The income and expenditure budget shall be worked out in close connection with the economic plan indicators and it contains:

a. For the enterprise: incomes, expenses and financial results in its activity, collections from foreign trade activity, its own funds which are formed at its availability, bank credits, payments into the state budget, other incomes, resources, and expenses;

b. For the central: incomes, expenditures, and the other financial indicators on its own activity and the activity of subordinate enterprises, and the funds which are established at its availability;

c. For ministries, the other central organs and people's councils: the financial indicators of their own activity and of the subordinate economic units and institutions and, as the case may be, of the subordinate administrative-territorial units.

(2) The factories, plants, groups of construction sites, operations and other units which record and distinctly monitor the results of their own economic activity, respectively have their individual accounting, shall work out the income and expenditure budget, which is part of the budget of the enterprise or central to which they belong and incorporates the incomes, expenditures and financial results of their own activity.

(3) The income and expenditure budget of the enterprise ties in with the system of income and expenditure budgets which are worked out at the level of centrals, ministries or other central and local organs, in conformance with the uniform national plan, the state budget, the credit plans and the centralized financial plan, for the purpose of ensuring the financial balance in the overall national economy.

Article 37. The income and expenditure budget shall be prepared by the collective leadership organ of each socialist unit, on the

basis of the plan indicators and shall be adopted, in accordance with the law, by the general assembly of working people, that also shall determine the measures which should be taken for its implementation.

Article 38. The state budget contains the centralized state incomes and their distribution in conformance with the objectives of the uniform national plan, for financing the development of the national economy, social-cultural programs, the country's defense and other social needs.

Article 39. The cash plan specifies the cash collections and payments, the task of putting into circulation or withdrawing cash, maintaining the cash circulation within normal limits, ensuring the correlation between the cash incomes of the population and the stock of commodities and services, in accordance with the actual needs of the economy.

Article 40. The credit plans determine the volume of the credits required for development of production, services, and trade, completion of investment projects in socialist units for specific needs of the population, and the resources for payment.

Article 41. (1) The short-term credit plan and the cash plan shall be prepared by the National Bank of the Socialist Republic of Romania and the specialized banks, in conjunction with the State Planning Committee, the Ministry of Finance, the ministries, the other central organs and the executive committees of people's councils of counties and of Bucharest Municipality and shall be approved by a decree.

(2) The medium- and long-term credit plan shall be prepared by the Ministry of Finance, in conjunction with the banks and the State Planning Committee, and shall be approved concurrently with the breakdown of the indicators in the uniform national plan and the state budget for the various coordinating bodies.

(3) The cash and credit plans shall be worked out in correlation with the provisions of the uniform national plan and of the state budget and on the basis of the income and expenditure plan of enterprises, centrals, ministries and the other central and local organs.

Article 42. The balance of cash incomes and expenditures of the people, on whose basis the monetary balance is substantiated, shall be worked out concurrently with the five-year and annual uniform national plan, by the State Planning Committee, the Ministry of Finance, the National Bank of the Socialist Republic of Romania and the other banks, in conjunction with the ministries and the other central and local organs.

Article 43. The foreign payments balance contains the foreign currency collections and payments from the export-import and international economic cooperation activities, from international tourism activity, international services, foreign credits received and granted, noncommercial operations and from other international activities.

Article 44. (1) The centralized financial plan incorporates the financial resources of the national economy and their purpose, for the various branches of the national economy and provides the economy's main financial balance of synthesis, playing an active role in substantiating the uniform national plan and in assuring the financial balance.

(2) The centralized financial plan shall be worked out by the Ministry of Finance and the State Planning Committee in correlation with the other sections of the uniform national plan.

(3) The Ministry of Finance, in conjunction with the banks, ministries and the other central and local organs, shall take steps for the proper implementation of the centralized financial plan and is responsible for its completion.

Article 45. The territorial financial plan incorporates financial indicators on enterprises and institutions regardless of their subordination, on the territory of each county and of Bucharest Municipality.

Section II. Evidence of National Wealth

Article 46. The evidence of the national wealth ensures estimation of the status of all material assets of society and of the other components of the national wealth, for the purpose of best possible management, both on the level of the overall economy and on the level of each ministry, of the other central and local organs, economic or social-cultural units, at each point of production and activity.

Article 47. (1) The main object of the evidence of the national wealth involves the assets in the unified fund of state property, the assets of cooperative organizations and of other mass organizations, credits, at home and abroad, and the durable goods of the population.

(2) The evidence of the national wealth is obtained in monetary expression and is assured on the basis of accounting and statistical data, periodical inventories of goods belonging to socialist units, censuses, selective surveys and other socioeconomic investigations.

Article 48. The collective leadership bodies of ministries, the other central and local organs, the economic units and institutions are required to organize and keep the strict evidence of resources in each socialist unit with the aid of accounting, to complete accounting balances and periodically effect the inventory of all the material and financial assets, of entitlements and obligations, in accordance with the legal provisions.

Chapter IV. Financing and Crediting of Production, Trade and Investment Projects

Section I. General Provisions

Article 49. (1) Circulating assets are comprised of raw materials and supplies, fuels, output in the process of production, semi-fabricated products, finished products, commodities, and other values, specified by legal provisions.

(2) The total necessary amount of circulating assets shall be determined by the income and expenditure budget, on the basis of reserves and other expenditures of the nature of circulating assets, sized in light of the plan assignments, the reserve standards and the rates for circulating assets. The economic units may temporarily establish seasonal reserves, plan reserves, specified by legal provisions.

(3) The criteria for the formulation of reserve standards and rates for circulating assets shall be determined by the Council of Ministers.

(4) The ministries, the other central and local bodies and the economic units are required to assure the optimal sizing of the needed amount of circulating assets and the sensible utilization of the material and financial assets. The Ministry of Finance and the banks shall verify, in the preparation of the income and expenditure budget, the procedure for determining the maximum level of material assets and of the costs in terms of circulating assets, and of the resources to cover these.

Article 50. Investment projects shall be completed in accordance with the provisions of the uniform national plan for socioeconomic development, in the limit of the funds provided for in the income and expenditure budget and on the basis of the technical-economic documentations specified by the law. The investment projects must be materialized with precedence in production facilities, they must be thoroughly prepared and realized by using the latest and most advanced technological and structural approaches, at reduced costs, during the shortest possible period, and be based on substantiating ensured marketing of output on the domestic and foreign markets, obtaining an adequate foreign currency intake and economic and financial indicators which are better than those obtained in existing similar production

facilities, also taking into consideration the technical-economic evolution on a long-range basis.

Article 51. (1) Financing of circulating assets of socialist economic units in operation shall be assured from the fund of circulating assets and other resources which are temporarily available to them, in accordance with the law.

(2) Meeting the necessary amount of circulating assets of new state economic units, in the first year of activity, shall be assured from the state budget.

(3) Financing of investment projects in state economic units shall be ensured from their own fund for economic development, the fund for housing construction and other social investment projects and the central's own fund for financing investment projects, under the legal provisions.

(4) In supplementation of the funds specified in paragraphs (1) and (3) the enterprises may receive bank credits.

(5) Crediting of circulating assets shall proceed for terms of up to 12 months; beyond this term credits may be granted for products with production cycles which are longer than 1 year, for costs of organizing the sites, and in other cases specified by the law.

(6) Crediting of socialist units' investment projects shall proceed for a term of up to 15 years; in agriculture this term may be of up to 25 years.

Article 52. Credit relations shall be organized by the state in the form of direct bank crediting. Monetary loans between socialist units, excepting the cases specified by the law, are prohibited.

Article 53. The bank credit has a planned character, is granted for specific purposes, and must be guaranteed with material assets, with financial resources provided for in the income and expenditure budget of the economic units for completion in subsequent periods, or under other conditions specified by legal provisions and must be repaid on schedule.

Article 54. (1) The credits shall be granted to state, cooperative and mass units, which are organized upon the principle of self-management and have legal entity.

(2) The banks may also grant credits to units with economic-financial self-management without legal entity, which are authorized to contract credits by the unit to which they belong and which is responsible for the utilization and repayment of the credits on schedule.

(3) The banks may also grant credits to other units and to physical persons, under the legal provisions.

Article 55. (1) The banks shall grant credits within the limit of the credit plan. Credits above the volume approved may only be granted for new plan assignments and plan exceedings, under the legal provisions.

(2) Credits shall be granted to units within the framework of the ceilings approved.

Article 56. (1) The economic units shall pay interest to the banks for the credits received and commissions and taxes for services provided by banks.

(2) The socialist units shall receive interest for money availabilities in their accounts with banks.

(3) The interests, commissions, and taxes shall be determined by a decree of the Council of State.

Article 57. (1) The credit relations between banks and economic units shall be established on the basis of contracts, which shall contain the volume of the credits to be granted in accordance with legal provisions, the terms for granting and repayment of credits, the level of interests, and the obligations and responsibilities of economic units.

(2) The credits shall be approved by banks, on the basis of a preliminary analysis of the economic-financial status of the unit credited and the ensuring of the repayment of the credits on schedule. In case conditions for the repayment of credits are not assured, the banks shall approve the credits only if the credit contracts are also signed by the centrals or ministries to which the units involved are directly subordinated and programs of measures shall be worked out for upgrading the economic-financial activity of these units. The banks may refuse to grant credits if the program of measures worked out does not assure the repayment of the credits requested.

Article 58. If the credit users do not conform to the purpose of the credit and other terms in the credit contracts, the banks may terminate the crediting, notifying the hierarchically higher body for taking measures to comply with the laws and punish the guilty parties.

Article 59. The material assets which constitute the guarantee of the credits remain in the possession of the debtor, with the latter having the legal obligations in terms of sensible utilization and proper maintenance.

Article 60. (1) The banks shall refuse to grant credits requested by economic units in the cases when the products which are turned out do not have the marketing ensured by contracts for the domestic or foreign markets in accordance with the purpose specified under the plan.

(2) Furthermore, the banks may refuse to grant credits for the products which do not have legally set prices, investment and building-assembly projects which are not provided for in the plan or do not have the legal execution conditions ensured, and in the cases when conditions for the efficient utilization of the funds are not provided.

Article 61. (1) The stocks of material assets without utilization and the unsaleable goods which were not utilized during the periods specified under the programs of measures worked out by the economic units, the discontinued or unlawful orders, the stocks of products without ensured marketing, without approved prices or qualitatively unsatisfactory, the material assets stored and kept under inadequate conditions, and the projects without ensured financing may not be the object of the credit guarantee.

(2) The current credits related to this type of material assets and the ones left without guarantee shall become exigible and shall be listed as credits unpaid on term as they are determined. The economic units, with the aid of the hierarchically higher bodies and bank organs, are required to take measures to utilize these stocks and repay the credits received.

(3) The banks are prohibited from maintaining at current crediting the supplies and the other costs which are related to production without marketing.

(4) The banks are required to supervise in economic units the utilization of credits in accordance with the purpose, the existence of material guarantees, the meeting of the terms under the credit contracts, and the manner in which the economic units act to implement the plan assignments and follow financial discipline.

Section II. Crediting of Production and Trade

- 1. Crediting of Industry, Construction, Transportation, Telecommunications, Other Services, Trade, and Research, Design and Engineering

Article 62. Based on the credit plan and the income and expenditure budget, the banks can, as the case may be, grant to state economic units and cooperative units credits for:

- a. Supplies for contracted output for the domestic or foreign markets and costs required for implementing the plan assignments;
- b. Seasonal stocks and expenses, developed as a result of purchase, contracting and processing of agricultural raw materials and other products;
- c. Completion of funds incorporated into products delivered, projects carried out and services performed, in the process of collection;
- d. Payment of expenses planned which in some quarters exceed the incomes, inclusive of introduction of new techniques;
- e. Stocks of products, commodities, packaging and other items, in manufacturing, commodity marketing, tourism, and technical-material supply units;
- f. Sale of commodities, completion of projects and services with payments in installments, for periods specified by the law;
- g. Service, goods shipped for testing, storage or consignment abroad and exhibits at international fairs and shows, for a period of maximum 12 months;
- h. Other purposes provided by law.

Article 63. The banks may grant to economic units for technical-material supplies and marketing of goods, tourism and hotels, to units that furnish and process agricultural raw materials and to collection and procurement units, credits commensurate with the completion of supplies and the operating or turnover costs, provided the goods and the products involved have ensured marketing under contracts or to the population and at the end of the quarter conform to the level of stocks and costs planned, except for agricultural products.

Article 64. (1) The terms for repayment of credits shall be determined in light of the movement of material assets, the recovery of costs and the provisions in the income and expenditure budget, within the limit of the terms provided by law. The economic units are required to repay the credits on schedule as provided for in the credit contracts.

(2) In economically justified cases, the banks may approve, based on thorough surveys, an extension in the periods for repaying current credits once a year for each credit, within the framework of the terms provided in Article 51 Paragraph (5) with an increase in the interest, as provided by law.

Article 65. (1) The banks may grant to economic units that have temporary financial difficulties for objective reasons credits for temporary needs at the current interest rate, for the period required to eliminate the causes which generated the needs for funds involved, without exceeding 90 days.

(2) Such credits may be granted for technical-material supplies for the purpose of fulfilling economic contracts, for output in the process of production, finished products and commodities, within the limits and under the terms specified by the Ministry of Finance and the centrals of banks.

Article 66. (1) In cases when, during some periods, economic units are not able to assure payments due from their own funds, from collections and from currently approved credits, the banks may grant credits for recovery of the payment capacity, with increased interest rate, for the payment of supplies, of projects completed and services performed by third parties, provided under appropriate conditions and in accordance with the plan and economic contracts.

(2) Such credits shall be granted at the request of economic units, based on surveys conducted in conjunction with the banking organs, for periods of at most 6 months, and in justified cases, with the approval of the bank's central up to 12 months, determined in light of the measures which the economic unit pledges to take in order to eliminate the causes and restore the balance between collections and payments.

(3) The credits for restoration of the payment capacity shall be repaid as the causes are eliminated which generated the imbalance between collections and payments and the latest on the due dates determined with the bank.

(4) The management bodies of centrals, ministries, the other central organs and the executive committees of people's councils are required, during the crediting period, to make sure that the causes which generated the exceeding of the needs for funds planned are eliminated.

Article 67. (1) In the case of the economic units which benefited by the credits specified in articles 65 and 66 and nevertheless keep being incapable of making the payments, for a period of more than 60 days, the financing banks shall establish preliminary supervision over the enterprise's payments, with the right to refuse the effecting of the payments which violate the standards on the sensible management of material and financial assets, the plan and financial discipline and shall introduce clearing instruments for the unit involved, conditioned by the preliminary existence of payment availabilities.

(2) Furthermore, the banks, in conjunction with the hierarchically superior body of the enterprises involved, shall analyze the economic-financial situation of these enterprises and shall propose or outline economic-financial measures designed to correct the activity.

Article 68. (1) The situation of economic units that frequently tie up their circulating assets and are not capable of repaying the credits received on schedule shall be analyzed, upon the proposal of banks and together with them, by the management bodies of the units involved, of centrals, ministries, the other central or local bodies, with the aid of the Central Council of Worker Control Over Economic and Social Activity, the Higher Court of Financial Control, the State Planning Committee, the Ministry of Finance, the Ministry of Technical-Material Supplies and Management of Fixed Assets, the Ministry of Foreign Trade and International Economic Cooperation.

(2) The result of analyses shall be discussed in the councils of working people in the units involved and efficient measures shall be outlined for upgrading the organization of the process of supply, production and marketing, reduction of costs and improvement of product quality, orientation of production toward items with assured marketing, and for observance of planning, contractual, and financial discipline. Based on the analyses made and the debates in the councils of working people, the leadership of the ministry, of the central or local organ is required to outline, with the approval of the financing bank, measures for remedying the economic-financial situation of the unit. The Ministry of Finance together with the Central Council of Worker Control Over Economic and Social Activity and the Higher Court of Financial Control are required to assist and monitor the procedure for implementation of the measures outlined.

(3) In special cases the hierarchically superior organs shall delegate, from among their leading cadres, a permanent representative attached to the economic unit involved who shall ensure and directly support the implementation of the measures for economic-financial recovery.

(4) The banks shall advise the major suppliers of the economic units involved about the economic-financial situation of these units, so that the goods delivery, the completion of projects and the provision of services by suppliers may only be based on bank clearing papers which preliminarily attest the existence of payment possibilities.

Article 69. (1) If, after the implementation of the measures specified in articles 65-68, the economic unit do not redress their economic-financial situation, when serious violations of the standards of management of funds were found, and in the cases

specified by Article 27 Paragraph (4), the special system of economic-financial supervision over the unit involved shall be instituted.

(2) The proposal for institution of the special system of economic-financial supervision shall be made by the Central Council of Worker Control Over Economic and Social Activity, the Higher Court of Financial Control and the Ministry of Finance and shall be approved by the Council of Ministers.

(3) For the duration of the special system of economic-financial supervision a council shall be established for economic-financial supervision of the enterprise's activity made up of representatives of the ministry concerned, of banks, of the Central Council of Worker Control Over Economic and Social Activity, of the Ministry of Finance, the State Planning Committee, and the Ministry of technical and Material Supplies and Management of Fixed Assets, and by representatives of working people of the unit involved. In major industrial units the supervision council also includes representatives of the Higher Court of Financial Control.

(4) The composition of the supervision council and the duration of the special system of economic-financial supervision shall be approved by a decision of the Council of Ministers.

Article 70. (1) The council for economic-financial supervision shall analyze the causes of the unsatisfactory activity of the enterprise and shall outline measures to redress the economic and financial activity which are mandatory for the conduct of this activity.

(2) The measures established shall be discussed in the general assembly of working people that must ensure the mobilization of all the work collective to improve the activity of production, the proper management of the material and financial assets, the strengthening of order and discipline, and the completion of all the tasks allotted the unit on schedule and in an exemplary way.

(3) The council of working people is required to implement all the measures outlined.

(4) The council of working people, together with the council for economic-financial supervision is responsible for redressing the economic-financial situation of the unit.

(5) Based on the analyses made, the council of economic-financial supervision determines the responsibility of the persons that headed the unit. In case it is found that the unsatisfactory situation of the economic unit is caused by the manner in which

the manager or other persons in the management of the unit have acted, a proposal may be made for their dismissal plus the interdiction to hold for a limited time leading positions.

(6) After the institution of the special system of economic-financial supervision the bank resumes current crediting of the unit involved for the unit's conducting its activity, in accordance with plans and contracts.

(7) During the period of implementation of the special system of economic-financial supervision, the centrals, ministries and the other hierarchically superior central and local organs are required to take proper measures to assure the upgrading of the enterprise's economic-financial activity, the orientation of production toward products with assured marketing, and the sensible utilization of material assets and manpower.

- 2. Crediting of State Agricultural Units

Article 71. The Bank for Agriculture and the Food Industry shall grant the state agricultural enterprises, the economic associations between state units and cooperative units and the stations for mechanization of agriculture, in supplementing their own funds, credits for establishment of the stocks of seeds, fodder, fertilizer, fuel, materials and supplies, components and other stocks, establishment of the livestock, and for expenses needed for production, in accordance with the provisions in the budget of income and expenses and in the production plan of each economic unit.

Article 72. (1) The credits shall be granted on the basis of the credit plan and credit contract up to the level of the planned stocks and production expenses, on the condition of full guaranteeing with material assets and with the obligation of obtaining the incomes which assure repayment on schedule.

(2) The credits granted shall be repaid at the time of obtaining and marketing of production.

Article 73. (1) The bank may grant credits for expenses on replanting the areas afflicted by calamities, on supplementally fertilizing the crops, on eliminating ponding and on other projects to do away with the adverse effects caused by natural factors, to state agricultural enterprises and economic associations between state units and cooperative units, that take steps in conformance with the agrotechnical regulations to reduce loss.

(2) The stations for mechanization of agriculture may receive credits at the current interest rate for meeting the production expenses related to the projects carried out, in case of failure

to collect incomes because of nonfulfillment of production in agricultural units as a result of natural calamities, under the legal provisions. These credits shall be repaid during the plan year and at the latest by the approval, under the law, of the analysis based on the balance sheet.

Article 74. The provisions of articles 65-70 shall also be correspondingly applied to state agricultural enterprises, economic associations between state units and cooperative units and stations for mechanization of agriculture.

- 3. Crediting of Production Activity of Agricultural Production Cooperatives

Article 75. The agricultural production cooperatives ensure their financial assets for development of production activity from their own funds and from the cash incomes obtained from marketing the output.

Article 76. The Bank for Agriculture and Food Industry may grant credits in supplementing the local funds, based on contracts, to agricultural production cooperatives for meeting their materials production expenses, remuneration for work, payment of dues to the fund of pensions and social security, input into the fund for economic development, and for other dues which stem from laws and contracts concluded by agricultural production cooperatives, specified in the income and expenditure budget.

Article 77. The credits shall be determined on the basis of the contracts for marketing agricultural products, concluded by the agricultural production cooperatives with socialist units, in a proportion up to 60 percent of the value of the output contracted for, taking into consideration the volume of collections realizable from marketing the output, which should assure the full repayment of the credits on schedule. The credits shall be granted, on a phased-out basis, for covering the operating costs provided for in the cost estimates, for the various crops and animal species, which underlay the preparation of the income and expenditure budget.

Article 78. (1) In the event that, during the course of the year, some agricultural production cooperatives need supplemental funds, the bank may grant, at their justified request, credits even over the level determined under the prior article, if the material base and sure prospects exist for obtaining the incomes, for repayment of credits, and for meeting the other payment obligations.

(2) If, during the course of the year, from the status of vegetation and course of livestock production it follows that the production anticipated is not being obtained and there is no guarantee

for repaying the loans, the bank shall stop granting the credits or shall reduce them down to the level for which repayment possibilities exist.

Article 79. Until the finalization of the income and expenditure budget, the bank may grant to agricultural production cooperatives credits for materials expenses which pertain to next year's output.

Article 80. For the purpose of expanding industrial activities, activities of processing farm products, construction and services, the bank may grant credits, in supplementation of the own funds, to agricultural production cooperatives for procurement of raw materials and supplies needed for turning out profitable products with ensured marketing.

Article 81. The output contracted for may not be marketed otherwise than specified when the credit was granted. If the agricultural production cooperatives do not meet this obligation or change the purpose of the output contracted for, the bank is entitled to take steps for repayment, ahead of schedule, of the credits granted, from any availabilities of the cooperatives, and when these availabilities are not sufficient, to proceed to foreclosure by marketing the existing products.

Article 82. The bank may grant to intercooperative economic associations and economic units of mass organizations, in supplementation of their own funds, credits for livestock, stocks of fodder, materials and supplies, chemical fertilizer, products and goods, and for other operating costs specified in the production plans and in the income and expenditure budget.

Article 83. If in certain periods the intercooperative economic associations are not able to make their payments from their own funds, collections and from credits approved, they may receive credits for restoring their payment capacity, with increased interest, for the payment of supplies and the other obligations to third parties, under Article 66 of this law.

Article 84. (1) In the event that in some agricultural production cooperatives, the credits determined for the production contracted for and the obtainable incomes do not assure the sums which they need to cover their strictly necessary operating costs, credits may be granted on the basis of special approvals which will permit completion of projects for maintenance, harvesting, transportation, and storage in the plant and animal feeding sectors.

(2) Such credits may also be granted to the agricultural production cooperatives which, because of natural calamities, do not obtain the outputs and incomes needed for assuring the cooperative members' remuneration for the work done, provided measures are taken in conformance with agrozootechnical regulations to reduce loss.

(3) The proposal for granting such credits shall be analyzed and submitted for approval by the Ministry of Agriculture and Food Industry and the National Union of Agricultural Production Cooperatives, concurrently with the credit plan.

Article 85. The agricultural production cooperatives, the inter-cooperative economic associations and the economic units of mass organizations shall guarantee the credits with material assets, with the incomes anticipated to be obtained and with the cession in the bank's favor of the cash rights they are supposed to collect. The agricultural production cooperatives shall also guarantee the credits granted to intercooperative economic associations, in proportion to their socially-owned inputs subscribed.

Article 86. (1) Repayment of the credits granted to agricultural cooperative units shall be made directly from the sums which they collected for the products delivered, the projects completed and the services provided, from compensations received, and from any cash incomes obtained.

(2) The credits which were not repaid at the end of the year by the intercooperative economic organizations, resulting from non-obtaining of incomes or exceeding of expenses, shall be recovered from agricultural production cooperatives in proportion to their socially-owned inputs subscribed.

- 4. Granting of Credits for Production to Members of Agricultural Production Cooperatives and Producers With Private Farms

Article 87. (1) The Bank for Agriculture and Food Industry may grant to members of agricultural production cooperatives and producers with private farms, who conclude contracts with socialist units for delivery of farm products, credits up to 60 percent of the value of the output under contract.

(2) For contracts concluded with organizations of the consumer cooperative system, the cooperative members and producers with private farms shall under the same terms receive advance cash through the organizations involved.

Article 88. (1) The cooperative members and the producers with private farms shall guarantee the production credits received with cession in the bank's favor of the cash rights they are supposed to collect from the socialist units, and with the assets which they own.

(2) Repayment of the credits shall be made from the sums due to them for the products delivered to the contracting socialist units, from compensations, and other incomes.

Article 89. (1) The contracting socialist units shall guarantee, in relation to the bank, the on-schedule repayment of the production credits, granted based on the contracts they concluded with cooperative members and producers with private farms. The credits which were not repaid on schedule shall be recovered from the account of the socialist units which guaranteed for them.

(2) If, as a result of the verifications made by the bank, it is found that contracts were concluded without a material basis or that the socialist units did not supervise the implementation of the contracts, the bank is entitled to proceed to recovery of credits from the debtor or, as the case may be, from the contracting socialist units, ahead of schedule.

Article 90. The delivery contracts on whose basis the credits are granted shall constitute for the bank executory titles in relation to cooperative members and producers with private farms, and in relation to the contracting socialist units.

Section III. Financing and Crediting of Investment Projects

- 1. Financing and Crediting of State Units' Investment Projects

Article 91. (1) The investment projects of state economic units, provided for in the uniform national plan for socioeconomic development, shall be financed in accordance with the provisions in the income and expenditure budget, from the own funds of enterprises and centrals, as the case may be, constituted according to articles 20, 22, and 23.

(2) For the state enterprises in operation, where the needs of financial resources for financing investment projects exceed the funds established for this purpose, the banks may grant credits, for supplementation, which shall be repayable with priority over the other purposes from the own funds which are constituted in the subsequent periods.

(3) For investment projects on construction and provision of equipment for clubs, sports centers, auditoriums and suchlike credits shall not be granted and financing shall be based on the units' own funds.

(4) If the central's own fund for financing investment projects does not cover the investment costs expected to be financed from this fund, the difference shall be made up, by redistribution, from the surplus of the own fund for financing investment projects of other centrals under the same ministry, central or local organ of state administration, and from the fund for financing investment projects established at the level of ministries

and the other central and local organs of state administration. In the event that also these funds are insufficient, the difference shall be covered from the central or local fund for socioeconomic development, as the case may be.

Article 92. The investment projects of state institutions specified in the uniform national plan for socioeconomic development shall be financed from the central fund for socioeconomic development, contained in the national budget, or from the local funds for socioeconomic development, contained in local budgets, depending on the subordination of the investment user.

Article 93. (1) For the purpose of opening the financing, the state enterprises, institutions and the other users of investment funds shall deposit with the financing banks the legally approved detail drawings, the charts for phasing out the investment project, for delivery of equipment and provision of the work force, correlated with the schedules for completion, and the construction authorization and other documents specified by law. For the other investment costs, for which detail drawings are not prepared, the documentation approved in accordance with the legal provisions in effect shall be submitted.

(2) For the commencement of projects and during their execution the investment users and the constructor organizations are required to submit, at the banks' request, the estimates for the detail drawings, for the purpose of their being verified.

Article 94. (1) The banks shall finance the investment projects if the following conditions are met:

a. The existing production facilities are used in conformance with the regulations in force;

b. The marketing of the output is assured, in accordance to the documentation approved;

c. The units, capacity, investment costs and completion terms tie in with the plan provisions;

d. The commencement of work is based on technical-economic documentations worked out in accordance with legal standards and provisions, and the legal approvals for use of the land on which the investment projects involved are located;

e. The financial assets required for the completion of projects are assured under the annual plan provisions;

f. The projects and the expenses which are effected are specified in technical-economic documentations admitted at financing;

g. The completion of the projects, the repayment of credits and the recovery of the investment costs are assured, in conformance with the documentation approved.

(2) The financing banks have the right to refuse financing in cases when the conditions prescribed in the prior paragraph and the legal provisions on the commencement of work, whose verification is their task, are not met. The refusals which were not accepted by the plan coordinators shall be handled by the Council of Ministers, with the approval of the Ministry of Finance and the State Planning Committee, on the basis of the proposal of the collective leadership bodies of ministries and the other central and local organs.

Article 95. (1) The banks shall verify, under the law, the legality of prices and tariffs, and the cost-effective character of the expenses provided for in documentations and shall advise on these within 20 days after receipt of the documentations endorsed by the constructor organizations.

(2) The reductions made by banks, on which objections were not received within the period of 20 days after advising, shall remain final. The value of the construction estimates and of the overall estimate shall be diminished by the reductions that remained final.

(3) The differences between the units of the bank and the state socialist units or the organs to which these units are subordinate shall be resolved by the hierarchically superior organs.

Article 96. (1) Prohibited are involvement in expenses and contracting for projects or delivery for investment projects prior to their being incorporated into the uniform national plan for socioeconomic development and approval of the technical-economic documentation in accordance to the law, and commencement of the project prior to the banking organs' assessing the legality of these expenses, except for the cases when by legal provisions it is specified otherwise.

(2) In contracting and purchasing the technical equipment required for completion of the investment projects the investment project users are required to ensure its being brought to the construction site during periods correlated to those for assembly, to ensure that there is no exceeding of the stock standards on construction sites, determined under the law, and to avoid formation of stocks of available equipment.

Article 97. (1) Delivery of facilities, machines, and installations ahead of contract schedules may only proceed if the supplier obtained the written agreement of the unit which is the user of the investment projects, given with the approval of the financing

bank, attesting that the ahead-of-schedule procurement of equipment is economically justified, with conditions ensured for assembly and start-up before the target date set by the technical-economic documentation approved.

(2) In the event that the suppliers deliver the facilities, machines and installations ahead of schedule without the preliminary agreement of the user unit, the latter is required to refuse payment, until the date specified in the contract.

Article 99. (1) The investment projects shall be cleared as they are completed, with observance of the provisions of the annual investment plan and the income and expenditure budget of the users, within the limit of the legally approved overall estimate; exceeding the value of the technical-economic documentation approved for the investment project involved is prohibited.

(2) The materials for investment projects which are acquired by the user, under the law, the technological samples, the spare parts and the inventory items of low value or for a short term, which make up the primary provision of outfits in new enterprises under construction, as well as the technological facilities and installations, shall be financed as they are acquired or turned out, within the framework of the funds provided for in the income and expenditure budget of users.

(3) For expenses relating to technological tests, recoverable from marketing the products obtained, the banks may grant short-term credits.

Article 99. (1) During the construction of investment projects and on their completion, the user of investment projects are required to provide justification to the banks for spending the funds released. On completion of the projects, the users are required to effect inspection and also submit to the bank for justification the completion report approved.

(2) In the event that the organizations for construction-assembly, services and designing, and the users of investments for projects under self-management, collected sums to which they were not entitled, the banks have the right, if within 30 days after the finding the party concerned did not return the sums involved, to issue, for the purpose of obtaining them, the payment documents, which are cleared without the payer's acceptance.

(3) After the completion of the investment projects, the banks shall only clear the projects and expenses which, under the law, may also be effected after the putting into operation, specified in the inspection report, within the limit of the overall estimate.

Article 100. The credits for investment projects in supplementation of the fund for economic development and of the fund for construction of dwellings and other social investment projects shall be granted by banks under the same conditions specified in Article 94 Paragraph (1) for financing investment projects and if repayment on the schedules provided by law is assured.

Article 101. During the course of construction, for the completion of the investment projects provided for in the uniform national plan, the banks may also grant credits in the following situations:

a. When there is a planned gap, on a quarterly basis, between expenses for investment projects and the establishment of the own funds designed for financing these projects;

b. In case the quarterly investment plan is exceeded, by ahead-of-schedule completion of projects for some units and of some investment undertakings, or there is acquisition of facilities, machines and installations under the conditions specified in Article 97 Paragraph (1), under the provisions of the annual plan, and this is justified economically, in the context of existing material conditions assured.

Article 102. (1) In the event that during the course of the year, the resources for financing the investment projects at the level of provisions under the income and expenditure budgets are not obtained, at the request of plan coordinators or of economic units, as the case may be, the banks may grant credits with increased interest, only if from the analysis of the documentation submitted and of the measures which are planned to be taken the guarantee of their repayment by the end of the plan year is provided. If the repayment conditions are not assured, the banks may grant such credits only with the approval of the Council of Ministers.

(2) The credits which were not repaid by the end of the year shall be repaid in the following year, with priority, from the own fund for economic development or from the fund for construction of dwellings and other social investment projects or the own fund for investment projects of the central, as the case may be.

Article 103. The credits shall be repaid in the installments and on the schedules specified under the credit contract. The economic units may repay the due installments ahead of schedule.

Article 104. (1) In the event of tardiness, consecutively, for 2 years, in repaying the exigible installments for investment projects from the own funds for development of the enterprise, their repayment shall be planned from the funds for financing

investment projects constituted in centrals or in ministries, the other central and local organs of state administration, from the amortization paid by the subordinate units.

(2) For the investment projects which were not completed on the planned dates, the banks, taking into consideration the measures taken to make up for delays, may further approve crediting until completion and putting into operation of the investment projects, within the limit of the sums specified in the credit contract. For the credits granted for the delay period the financing banks shall charge increased interest, until the investment projects are actually completed.

- 2. Financing and Crediting of Investment Projects of Artisan and Consumer Cooperatives and Other Mass Organizations

Article 105. The cooperative organizations and the economic units of the other mass organizations shall complete the investment projects needed for the implementation of the socioeconomic objectives provided for in the uniform national plan and in the income and expenditure budget from the funds for economic development constituted on the basis of the incomes obtained from their activity.

Article 106. The banks may grant to cooperative organizations and economic units of the other mass organizations, in supplementation of their own funds, credits for completion of new investment activities and projects, for expansion and modernization of existing facilities, which ensure the rise in output and services, the improvement of supplies and marketing, and the obtaining of extra incomes.

Article 107. The financing and crediting of investment projects for cooperative organizations and the economic units of the other mass organizations shall proceed in accordance with the overall provisions which apply to state economic units.

- 3. Financing and Crediting of Investment Projects of Agricultural Production Cooperatives

Article 108. (1) The agricultural production cooperatives shall complete investment projects, in conformance with the bylaws, from the fund for economic development.

(2) The Bank for Agriculture and Food Industry may grant to agricultural production cooperatives, in supplementation of their own funds, according to the provisions under the uniform national plan and the income and expenditure budget, credits for completion of new productive investment activities and projects, expansion and modernization on existing facilities, which ensure the rise in

production capacity, services and completion of projects, for the purpose of obtaining corresponding increases in the value of net output and greater efficiency of all the activity of the units.

(3) The agricultural production cooperatives may also be granted credits for investment programs and projects which are completed on the basis of association or cooperation.

(4) The intercooperative economic associations may be granted credits for introduction of mechanization, modernization of existing machines and installations, upgrading of production technology and expansion of activities involving processing of agricultural products.

Article 109. (1) The credits shall be granted for completion of irrigation and land improvement projects, vineyard and orchard plantations, agrozootechnological construction projects, machines, facilities, and installations, purchasing of animals, construction of dwellings for experts, for other activities and projects specified under legal provisions, including social investment projects.

(2) The activities and projects for which credits are granted and the maximum periods for repayment are those specified in Appendix No 2 to this law.

(3) The agricultural production cooperatives and the intercooperative economic associations are required to participate in investment activities and projects for which credits are requested, with their own assets, in proportion of at least 30 percent of the value of the investment projects.

(4) The Bank for Agriculture and Food Industry, upon the proposal of the Ministry of Agriculture and Food Industry, may, in special cases, also grant credits over 70 percent of the value of the investment for productive activities and facilities which condition the implementation of the plan assignments, within the framework of the credit volume approved for agricultural production cooperatives and intercooperative economic associations.

Article 110. The volume of credits which are granted to agricultural cooperatives shall be determined annually under the uniform national plan and the state budget and shall be earmarked for the various activities and counties by the Ministry of Agriculture and Food Industry in conjunction with the Bank for Agriculture and Food Industry.

Article 111. The credits shall be granted the agricultural production cooperatives that specified under the income and expenditure budget allocations to the fund for economic development at least in the minimum proportion specified by the bylaws

Article 112. (1) The Bank for Agriculture and Food Industry may grant the less consolidated cooperatives credits for completing the technical, organizational, and economic activities and measures specified in the redressing programs, for completing and putting into operation the investment projects carried out previously and upgrading the production process.

(2) Credits shall only be granted if conditions exist for completing the programs and boosting output and incomes that may ensure repayment on the dates specified, for a maximum period of up to 5 years.

(3) In the activities and projects that are carried out on the basis of redressing programs, the agricultural production cooperatives shall participate with their own funds commensurate with their potentialities.

Article 113. (1) The credits shall be approved for agricultural production cooperatives and intercooperative economic associations by the bank, based on observance of the following conditions:

a. The fund for economic development which was specified to be formed by these units must assure repayment of the credits requested within the framework of the maximum periods approved;

b. The certitude must exist for obtaining the output and incomes specified in the technical-economic documentation;

c. Participation with the own funds in the proportions specified and rational use of the production means must be ensured;

d. Conditions must exist for on-schedule completion and start-up of the facilities, and the output anticipated to be obtained must have the marketing assured;

e. The technical-economic documentations must be prepared, assessed, and approved in conformance with the legal provisions.

(2) For approval of the credit, the agricultural production cooperatives must submit to the bank the pledge to use through the contracting socialist units the marketable farm output obtained in the facilities involved, until the credit is fully repaid.

(3) In case the bank, as a result of the analysis, determines that the crediting conditions are not met and the guarantee of repayment of the loan does not exist it shall not approve the credit requested.

Article 114. The agricultural production cooperatives and the intercooperative economic associations are required to use the credits received in accordance with the purpose determined and are responsible for their full repayment on schedule.

Article 115. The Bank for Agriculture and Food Industry is entitled to stop crediting or recover the credits ahead of term if the following situations are determined:

- a. Change in the purpose of the credits granted or deficiencies in completing the credited investment projects, capable of jeopardizing the on-schedule completion of the facilities or attainment of the technical-economic indicators in the crediting documentation;
- b. Nonparticipation of agricultural production cooperatives with their own funds which they pledged in completing the credited investment projects;
- c. Utilization of production means for purposes other than those for which they were credited, removal, improper management, deterioration, or putting out of service of these production means;
- d. Failure to take steps to eliminate the deficiencies notified by the banking units.

Article 116. The agricultural production cooperatives and the intercooperative economic units shall guarantee the credits received with material assets, monetary assets anticipated to be obtained and with any other incomes in cash and in kind, and with cession in the bank's favor of the rights they are supposed to collect.

Article 117. (1) Repayment of credits shall be made from the fund for economic development, and in the event that this fund does not cover the due installments, the difference shall be paid from the other financial availabilities of the agricultural production cooperatives.

(2) For the investment projects which are completed under intercooperative association or between cooperative units and state units, in cases when the profits due to the associated agricultural cooperatives do not assure repayment of the credits and payment of the related interests, use shall also be made of availabilities from the fund for economic development of the intercooperative economic associations or of the economic associations between state units and cooperative units.

- 4. Crediting of Investment Projects Completed by the Population

Article 118. (1) The Bank for Agriculture and Food Industry may grant investment credits designed for expanding output of members of agricultural production cooperatives and producers with private farms for procurement of production animals, nursery stock, for developing orchard and vineyard plantations, and for other agrozootechnological purposes.

(2) The credits shall be granted up to at most 70 percent of the value of the investment activities and projects, provided the producers conclude contracts with socialist organizations for delivery of produce and products, whose marketing should assure on-schedule repayment of the credits involved.

(3) The investment credits may also be granted to producers with private farms in the noncooperativized localities, constituted in associations, for completion of facilities of common interest. The credits for investment projects shall be granted provided contracts are concluded with socialist units for produce and products whose marketing ensures on-schedule repayment of the credits and payment of the interests.

(4) The investment activities and projects for which credits are granted and the repayment target dates shall be determined in accordance with Appendix No 2.

Article 119. (1) The Savings and Loan Bank may grant credits to the population for building privately-owned dwellings and in other cases provided by the law.

(2) The credits for building privately-owned dwellings shall be guaranteed by constitution of a mortgage on the dwellings involved, under the legal provisions.

(3) The loan agreements have the value of authentic documents and constitute executory titles.

Article 120. (1) The credits shall be guaranteed by users, for their entire value, by material securities, personal guarantees, and cession of credit rights.

(2) Until the credits are fully repaid, the privately-owned dwellings and other assets obtained by the population as a result of using the credits may be transferred only with the preliminary accord of the units that granted credits.

Chapter V. Foreign Financial-Foreign Currency Relations

Section I. General Provisions

Article 121. The output for export and the development of exports must proceed in such a way as to assure the resources needed for imports and the rise in the foreign currency reserves of the state, and result in the continuous upgrading of economic efficiency and profitability of manufacturing and foreign trade units, in the rise in the national income and, on this basis, in the strengthening of the purchasing power of the national currency, both on the domestic plane and in relationship with other currencies.

Article 122. (1) In the implementation of the policy of continuous growth of the national wealth the state fund in foreign currency and the state reserve of precious metals develop, which are integral components of the state reserves of the Socialist Republic of Romania.

(2) The mode of formation, administration, and utilization of the state fund in foreign currency and of the state reserves of precious metals is specified by law.

Article 123. The financial-foreign currency activity develops on the basis of a uniform system of plans, which includes:

- a. The foreign payments balance;
- b. The plan of foreign currency collections and payments of enterprises, centrals, ministries and the other central and local organs;
- c. The balance of foreign credits and commitments.

Section II. Foreign Payments Balance; Foreign Currency Collections and Payments Plan

Article 124. (1) The foreign payments balance is prepared by the Ministry of Finance, the State Planning Committee, the Ministry of Foreign Trade and International Economic Cooperation and banks, in conjunction with the ministries and the other central organs, in correlation with the indicators of the uniform national plan for socioeconomic development and the state budget, in the context of budgetary balance.

(2) The foreign payments balance is prepared for the various relations, with the development of the foreign currency collections and payments assignments for the various ministries and other central organs which are plan coordinators and are approved with the uniform national plan for socioeconomic development, on an annual and five-year basis.

(3) The assignment of the payments balance indicators on a quarterly basis is approved concurrently with the economic indicators.

Article 125. The plan of foreign currency collections and payments of ministries, the other central and local organs, centrals, enterprises and institutions which, under the law, effect collections and payments in foreign currency, includes the totality of foreign currency collections and payments and is prepared in correlation with the other projects of economic and financial plan and the foreign payments balance.

Article 126. (1) The ministries and the other central and local organs develop the assignments of the foreign currency collections and payments plan at the level of the foreign trade enterprises and the other subordinate units which, under the legal provisions in force, are authorized or are allotted foreign currency collection and payment tasks.

(2) The economic units that complete full facilities, construction-assembly and other such projects abroad shall carry out the foreign currency collections and payments assignments in conformance with the indicators approved for each facility or groups of facilities and construction sites.

Article 127. For the activity of providing international services, noncommercial projects and expenses for commercial activity, transfers may be effected between the cost indicators of plan coordinators and for the various quarters, with the approval of the Ministry of Finance and, respectively, of the Ministry of Foreign Trade and International Economic Cooperation, at their justified request.

Article 128. The manufacturing economic units, centrals, foreign trade enterprises, ministries, and the other central and local organs with foreign trade assignments are responsible for import engagement and, respectively, for effecting payments within the limit of plan provisions and in conformance with ensuring the foreign currency resources from export.

Article 129. (1) The Romanian Bank of Foreign Trade shall organize the evidence on the execution of the foreign payments balance and shall monthly forward to the Ministry of Finance, the Ministry of Foreign Trade and International Economic Cooperation and the State Planning Committee the situation of its implementation.

(2) The enterprises, centrals, ministries, and the other central and local organs are responsible for the full and on-schedule collection of foreign currency rights, shall organize the evidence

of the implementation of foreign currency collection and payment plans, and shall monthly and quarterly prepare the situation of their completion. The collective leadership organs shall analyze the procedure for completing the foreign currency collection and payment plans and shall outline the necessary measures to comply with the planned foreign currency balance.

Article 130. (1) The ministries and the other central organs which have subordinate enterprise that complete full facilities, construction and assembly projects and other such projects abroad shall report to the Council of Ministers, within 30 days after the dates specified in contracts for completion of projects, the status of each facility valued at more than 100 million lei in foreign currency and the manner in which the economic and financial-foreign currency indicators approved were attained.

(2) For projects valued at amounts up to 100 million in foreign currency, the analysis of the manner in which the economic and financial-foreign currency indicators approved were attained shall be made by the leading councils of ministries and the other central organs.

Article 131. The Ministry of Finance, the Ministry of Foreign Trade and International Economic Cooperation, the State Planning Committee, and the Romanian Bank of Foreign Trade are responsible for the implementation of the foreign payments balance, they shall periodically monitor and analyze the procedure for carrying out collections from export and payments for import. On a quarterly basis, they shall report to the Council of Ministers on the way in which the foreign currency collection and payment plan was implemented by each ministry and central or local organ and shall propose measures to maintain the planned foreign currency balance.

Article 132. In the event that the collections from export are not achieved according to the quarterly plan approved for the various ministries and the other central and local organs and if the planned foreign currency balance is affected, these factors may not engage in new imports, within the limit of the sums that were not achieved for collections. Within 3 days, the ministries and the other central and local organs shall report to the Council of Ministers on the measures taken to achieve the collections and assure the planned foreign currency balance.

Article 133. (1) In exceptional cases, at the request of the minister or the head of the central or local organ that did not achieve the foreign currency collections planned, the Romanian Bank of Foreign Trade, with the approval of the minister of finance and of the minister of foreign trade and international

economic cooperation, may grant temporary foreign currency credits to the foreign trade enterprises for making payments abroad, until the cases involved are resolved by the Council of Ministers.

(2) The interests and commissions for these credits shall be borne in accordance to the law.

Section III. Balance of Foreign Credits and Commitments

Article 134. (1) The balance of foreign credits and commitments includes the rights and obligations to foreign countries at one point in the activity of export, import, and international economic cooperation, completion of projects, provisions of services, tourism and other activities, and the foreign credits received and granted, the interests and commissions involved, participation in international joint companies and financial-banking organisms, the foreign currency availabilities abroad and the foreign currency availabilities of foreign partners in banks of the Socialist Republic of Romania and other foreign currency rights and obligations in the relationships with foreign countries.

(2) The balance of foreign credits and commitments shall be prepared by the Ministry of Finance, the State Planning Committee, the Ministry of Foreign Trade and International Economic Cooperation and banks, for the various countries and relations, phased out per years, and shall be submitted to the Council of Ministers with the five-year and annual plans.

Article 135. (1) The economic units, the foreign trade enterprises, the centrals, the ministries, and the other central organs and banks shall organize and keep the evidence in foreign currency and in lei, at the legal rates in effect, for the credits and commitments which result from foreign trade activity and other international activities and shall be responsible for the full and on-schedule collection of foreign currency rights and for the observance of the commitments taken in the foreign trade area and shall report to the Ministry of Finance on the status of credits and commitments.

(2) The methodology of evidence and reporting shall be specified by the Ministry of Finance, in conjunction with the Ministry of Foreign Trade and International Economic Cooperation, the State Planning Committee, the banks and the Central Directorate of Statistics.

Article 136. The Ministry of Finance shall assure the centralized evidence for the economy in terms of foreign credits and commitments, shall monitor and periodically analyze the manner in which the provisions of the foreign credit and commitment balance are

implemented, and together with the State Planning Committee, the Ministry of Foreign Trade and International Economic Cooperation and the banks shall annually submit to the Council of Ministers the report on the status of foreign credits and commitments for the various relations and countries, with their phasing out for the various collection and payment years.

Section IV. Credit and Clearing Relations With Foreign Countries

Article 137. The credit relations with foreign countries shall be established on basis of foreign contracts, agreements, conventions, and other understandings, under the legal provisions.

Article 138. The granting and receiving of foreign credits shall proceed through banks, foreign trade enterprises and other authorized economic units, under the law.

Article 139. (1) The financial resources needed by enterprises for granting foreign credits, including those under government conventions or agreements, shall be assured through bank credits, and the availabilities from foreign credits received shall be used in accordance with the provisions in the credit plans.

(2) The conditions and modalities of management and administration of resources in lei relating to foreign credits granted and received shall be stipulated by law.

Article 140. The foreign trade enterprises, the other socialist units that are authorized to effect credit transactions with foreign countries and the banks are required to keep the evidence of the credit transactions, for the various categories of credits, foreign currency, terms for collection of credits granted and for payment of credits received.

Article 141. The foreign trade enterprises and the other socialist units that are authorized to effect foreign trade are required to specify in their contracts for export-import, international economic cooperation, tourism, services, and international transportation and shipping, firm guarantees, clearing modalities, and payment and credit terms that assure full and on-schedule collection of all the foreign currency rights and implementation of the obligations assumed. These units are responsible, in case of failure to collect the foreign currency amounts on the schedule specified under international contracts, for the execution of the guarantees and the fulfillment of the procedural acts needed for recovery of all credits and execution of the rights due.

Article 142. The ministries, the other central organs with foreign trade activities, the Ministry of Foreign Trade and International

Economic Cooperation, the Ministry of Finance, the Romanian Bank of Foreign Trade and the other banks shall monitor the on-schedule collection of the rights resulting from credits granted and repayment of the due installments for credits received and shall give the necessary support to foreign trade enterprises and the other units in fulfilling their obligations and rights in relation to other countries.

Section V. Financing and Crediting of Foreign Trade Activity

Article 143. The total necessary amount of circulating assets for development of the activity of foreign trade enterprises, international economic cooperation, services, and completion of projects abroad shall be determined in light of the export and import assignments and of the assignments involving the other foreign trade activities. The necessary amount of circulating assets shall be met in conformance with Article 51.

Article 144. (1) The Romanian Bank of Foreign Trade and the other banks shall grant to foreign trade enterprises short-, medium-, or long-term credits, under the terms specified in international contracts, arrangements, and agreements, in domestic contracts, and under the legal provisions, for:

- a. Export goods delivered by manufacturing units, purchased in own bases or in safekeeping with the manufacturing enterprises;
- b. Expenses related to procurement of raw materials and supplies, services and other expenses made at home, for the purpose of completing projects abroad;
- c. Complex installations, machines, facilities and other goods delivered to other countries with payment on the basis of credits;
- d. Payment for import goods, including for advance payments to foreign suppliers, and for turnover costs in the foreign trade flow;
- e. Other foreign trade transactions, including special dealings for obtaining foreign currency intake.

(2) The credits shall be granted from the point when the foreign trade goods were shipped or the stocks were established in foreign trade enterprises, including those in safekeeping with the manufacturing units, and when the expenses and payments for import were made and shall be repaid as collection proceeds of the foreign currency abroad, the equivalent value of the goods imported from the domestic customers, and from other sources provided by law, within the periods stipulated in contracts or specified by banks.

(3) The provisions of articles 49-61 and 64-70 in this law shall also be correspondingly applied to foreign trade units.

Article 145. The Romanian Bank of Foreign Trade and the other banks shall verify the on-schedule implementation by all foreign trade enterprises and manufacturing units of the collection and payment obligations which result from the foreign contracts, the existence and proper storage and preservation of the goods intended for export and for completion of projects abroad and shall make sure that these units fully and on-schedule collect the foreign currency rights and make the foreign trade payments.

Section VI. Crediting of Romanian Economic Units That Participate in Joint Companies

Article 146. The input into the social capital, both in lei and in foreign currency, of Romanian economic units that participate in joint companies with headquarters in Romania and abroad shall be assured from own funds and through bank credits, in conformance with the provisions of the uniform national plan of socio-economic development and the foreign payments balance.

Article 147. The Romanian economic units that participate in joint companies with headquarters in Romania and abroad, the ministries and the other central organs, are responsible for the full attainment of the economic and financial-foreign currency indicators approved and for the transfer home of the profits and other rights due, within 30 days after the approval of the annual balance-sheets or under the legal provisions of the country on whose territory the company has its headquarters.

Article 148. The ministries and the other central organs that have subordinate economic units that participate in joint companies shall submit to the Council of Ministers, periodically, with the assessment of the Ministry of Foreign Trade and International Economic Cooperation, the Ministry of Finance and the Romanian Bank of Foreign Trade, reports on the status of the account of results and the way in which the financial-foreign currency indicators approved were attained, repayment of credits and interests involved, transfer, respectively, collection of profits, and other rights due to the Romanian party from the activity of these companies.

Chapter VI. Organization and Making of Payments Between Socialist Units

Article 149. (1) The socialist units are required to keep financial availabilities in bank accounts and effect payment and collection procedures through these accounts.

(2) The payments between socialist units shall proceed, as a rule, through clearing without cash.

Article 150. The National Bank of the Socialist Republic of Romania, together with the specialized banks, shall determine the forms and instruments for clearing, set the limit within which cash payments between socialist units may be effected and formulate standards on the conditions and terms for depositing the clearing documents and cash with banks, the acceptance and payment terms, the limits within which the cash may be kept in the cashier's offices of socialist units, the procedure for releasing the cash and the conditions for making the payments from collections.

Article 151. (1) The socialist units are required to specify in economic contracts clearing forms and instruments which ensure the earliest possible collection of the equivalent value of the goods delivered, projects completed or services provided.

(2) The banks may order replacement of the clearing forms and instruments selected by socialist units with forms and instruments which better correspond to economic relations between units, for the purpose of strengthening payment discipline.

Article 152. (1) The payments from the accounts of socialist units shall be made with their consent, except for the payments which involve obligations determined by executory titles, and of payments for whose completion the legal provisions stipulate that they shall be cleared without the consent of the paying units.

(2) For the products which, by their nature, are used as soon as they are received, the economic units may under contracts, with the banks' agreement, specify that their clearing should be effected immediately after receipt by the user. The possible differences shall be recovered subsequently.

Article 153. The loan documents, regardless of their designation and the loan account extracts regarding the credits that were not repaid on schedule or the credits which the bank is entitled to collect ahead of schedule constitute executory titles, without the completion of other formalities.

Article 154. (1) The payments must be made on the date of the exigibility of the obligations, with the debtor required to effect them and the creditor required to request them.

(2) The socialist units are required to ask the users for payment for the products after delivery, shipping or transfer to safekeeping of these products under the legal provisions, and for payment for the projects completed or services provided, after inspection with meeting the contractual clauses.

(3) The user is required to make the payment for the products received or transferred to safekeeping, of the projects completed and services provided, after inspection, with the exception of the cases specified in legal provisions. The user also has the same obligation in the event that, although the contract specified that payment shall be made at the request of the supplier, the latter did not, however, request it.

(4) In case of goods which, according to contracts, are shipped directly to the final users, with the payment to be made by an intermediate unit, payment for the goods shall be made by the intermediate unit, on receipt of the clearing documents prepared by the supplier for the goods actually shipped, with the right to subsequently refuse the possible differences found on the receipt, inspection and clearing of goods by the final users.

Article 155. (1) The goods arrived from import shall be delivered to domestic customers by the importing foreign trade enterprises, with observance of the clauses stipulated in the domestic and foreign contracts concluded or with the approvals given by the proper organs.

(2) The foreign trade enterprises shall bill the users of imported goods, on the basis of customs import statements, of documents of transportation on foreign routes and under the terms specified by domestic contracts.

(3) The users of imported goods are required to accept or refuse payment for the goods after receipt and inspection, within the legal terms, on the basis of the documents issued by the foreign trade enterprises.

(4) In the event that receipt and inspection of the imported goods do not proceed within at most 20 days after the date of receipt of the bills from the foreign trade enterprises, the users are required to order payment for the documents involved, with the right to subsequently refuse the possible differences in light of verification and inspection, under the terms and conditions in the foreign trade contracts.

Article 156. Delivery of goods, completion of projects and provision of services based on credit between socialist units are prohibited, except in the cases specifically stipulated by legal provisions.

Article 157. The clearing documents issued by the creditor and for which the debtor accepted payment, and the instruments issued by the debtor in favor of the creditor are, in the bank clearing relationship, executory titles, on whose basis payment procedures between socialist units are effected.

Article 158. The user has the right, within the period specified for acceptance or for depositing of documents with the bank, to refuse full or partial payment, as the case may be, when:

a. Delivery of the goods, completion of projects or provision of services do not constitute the object of a contract or do not have another legal basis, provided it does not use the goods for which payment is requested;

b. The products were not received by the expiry of the acceptance period or other terms specified by the bank;

c. The prices or rates on whose basis the payment amount was determined are higher than the legal ones, or the payment amount was determined erroneously;

d. The contractual clauses on quantity, quality, delivery term, and other contractual clauses are not met;

e. The documents specified in the contract without which the goods cannot be inspected, used, or capitalized on were not received;

f. The amount claimed is not owed.

Article 159. (1) The economic units which deliver goods, complete projects or provide services are entitled to require their customers, whose payments are repeatedly late and who create financial difficulties for them, to provide in advance the sums needed for making the payments, through bank clearing instruments preliminarily stating the existence of payment potentialities. In such situations, the banks are required, at the supplier's request, to furnish information on the customer's payment possibilities.

(2) In the event that the users do not assure in advance the sums needed for payment, the suppliers may cancel the delivery of goods, the completion of projects or the provision of services.

informing 30 days prior to implementing this measure the user unit and its hierarchically superior organ.

Article 160. (1) The socialist units are required to take steps to assure a permanent balance between payments and collections.

(2) The payments from the accounts of socialist units shall be effected within the limit of the availabilities in these accounts and of the credits approved.

(3) After exhaustion of these funds the payments shall be effected within the limit of collections, in the following sequence:

a. Payments for remunerations and other related payments;

b. Payments to the budget, payments from the fund for social projects, payments for financing investment projects and payments for insurance premiums;

c. Payments for deliveries of goods, completion of projects and provision of services;

d. Repayment of bank credits due;

e. Other payments.

(4) The payments from the worker profit sharing plan fund shall be made only after the other payments have been effected.

Article 161. For the agricultural production cooperatives and the intercooperative economic associations, in case of exhaustion of the credits approved and lack of availabilities, the payments shall be made within the limit of collections in the following sequence:

a. Repayment of bank credits due;

b. Payments for cash remuneration for work and for the other related rights;

c. Payments to the state budget;

d. Payments for delivery of goods, completion of projects and provision of services, inputs into the funds needed for payment of pensions and the other social security rights, and the insurance premiums;

e. The amounts intended for the fund for economic development and other funds which are established in accordance with the bylaws of the agricultural production cooperative and of the intercooperative economic association;

f. Other payments.

Article 162. (1) Within the framework of the same category provided in the order of payments under articles 160 and 161, the payments shall be made in the chronological sequence of the payment terms, and in case they have the same payment term, in the sequence in which they are listed in these texts.

(2) The sums owed as accessories shall be paid in the same order as the principal debt.

Article 163. The deliveries of goods, completion of projects and provision of services for agricultural production cooperatives and intercooperative economic associations shall proceed only after the units involved have obtained assurances in terms of the payment potentialities of these cooperatives and associations.

Chapter VII. State Insurance

Article 164. State insurance must, by specific means, be instrumental in restoring assets which were damaged or destroyed as a result of natural calamities and accidents, in repairing harms for which the insured parties are liable under the law, and in implementing preventing and saving programs.

Article 165. (1) State insurance includes branches for insurance of assets, persons and civil liability, in the form of insurance by effect of law or optional insurance.

(2) Insurance by effect of law aims concurrently with compensating the insured, at meeting the economic and social interest of all the community in protecting the national wealth, maintaining the continuity of the production process and protecting the victims of accidents and their families.

(3) Optional insurance is made for assets, persons or risks that are not included in insurance by effect of law or in supplementation of this insurance.

(4) For insurance concluded with commitments in foreign currency, procedures of cession and acceptance of risks and reinsurance premiums shall be effected.

Article 166. (1) The insurance relations shall be established between the State Insurance Administration, in its capacity of insurer, and the state socialist units, the cooperative organizations or the other mass organizations and physical persons, in their capacity of insured. In exchange for the insurance premiums paid by the insured parties, in insurance by effect of the

law or optional insurance, the insurer assumes the obligation of granting compensations or insured sums in case of occurrence of certain events.

(2) The categories of units, assets and persons that are insured, the risks, premium rates, amount of insurance and the other rates regarding insurance shall be determined in accordance with the legal provisions.

(3) The insurance relations established with the state socialist units take into consideration coverage of the damage caused by the events involved in the insurance, with the compensations granted these units helping to maintain the continuity of the production process.

(4) The insurance relations with the cooperative organizations or with the other mass organizations are aimed at protecting the assets which they own, with the compensations granted these organizations helping to restore the commonly-owned property.

(5) In the insurance relations with physical persons the aim is to restore assets, covering some damage and creating some supplemental means of prevention in connection with the events involving the life and integrity of the persons.

Article 167. The insurance fund constituted from collection of premiums from the insured shall be used for: payment of compensations and of the amounts insured, financing of projects for prevention and combating of some damage, formation of the statutory fund, of the reserve fund in lei and in foreign currency, of the reserve of premiums for insurance of persons, covering of specific and overall administrative expenses and other purposes prescribed under legal provisions.

Chapter VIII. Safekeeping of Cash Savings of the Population

Article 168. (1) The state, through the Savings and Loan Bank of the Socialist Republic of Romania, organizes and encourages safekeeping of the population's cash savings.

(2) Procedures for safekeeping of the cash savings of the population may also be effected by other banking institutions, within the limit of the powers specified by their organization and operation statutes.

Article 169. (1) The population's deposits with the Savings and Loan Bank and other banking institutions are guaranteed by the state and the holder's right to the deposit is protected by the law.

(2) The population's deposits are not subject to prescription and shall be returned, on request, to the holders of the deposits or their legal representatives, and in case of the depositor's death, to the heirs.

(3) Interests determined by legal provisions are granted for the population's deposits.

Article 170. (1) The state ensures the secret of the deposits.

(2) The personnel of the Savings and Loan Bank, of the units that effect transactions for the Savings and Loan Bank and of other banking institutions are required to keep the secret with respect to the name of the depositors and of the holders of the deposits, the amounts saved and any other information on the transactions effected on their names.

(3) Information on the deposits and the transactions made shall be provided, on request, only to the holders of the deposits and their legal representatives, and in penal cases, to the law enforcement organs and courts, only after the penal proceedings against the holders of the deposits were instituted.

(4) No other organ is entitled to such information.

(5) Violation of the provisions on the secret of the transactions constitutes an infraction of divulging secrets regarding civic interests, stipulated and penalized by article 251 of the Penal Code.

Article 171. (1) The Romanian citizens who acquire foreign payment means are required to deposit them with the National Bank of the Socialist Republic of Romania, the Romanian Bank of Foreign Trade or the units authorized by the above banks, under the legal provisions.

(2) The foreign currency amounts which the acquirers of foreign payment means can use, under the law, shall be kept on the country's territory in personal accounts at the National Bank of the Socialist Republic of Romania or at the Romanian Bank of Foreign Trade.

Chapter IX. The State Budget

Section I. General Provisions

Article 172. The state budget is instrumental in implementing the Romanian Communist Party's policy of rapid and balanced development of the national economy, of continuous improvement of the people's standard of living, constituting a factor of influencing economic and social planning.

Article 173. (1) The state budget is prepared annually. The budgetary year begins on 1 January and ends on 31 December.

(2) In preparing the state budget the balance between incomes and expenditures shall be ensured.

Article 174. (1) The incomes of the state budget are comprised of:

- a. Incomes derived from the state socialist units;
- b. Incomes and other collections related to the state social insurance budget;
- c. Taxes and dues paid by cooperative organizations and economic units of the other mass organizations;
- d. Customs duties;
- e. Taxes and dues from the population;
- f. Other incomes.

(2) The evaluations of incomes contained in the state budget represent minimum tasks to be achieved.

Article 175. (1) Any amount which is due to the state is made income to the budget, if the legal provisions do not stipulate otherwise.

(2) In case of failure to pay on schedule the sums which must be paid into the state budget by the socialist units, the financial-banking organs have the right to order their transfer to the budget from the accounts of the units involved.

(3) Collection for the state budget of the amount due and not repaid on schedule by physical persons and by legal persons other than those specified in the prior paragraph shall be done by applying foreclosure proceedings provided by law.

Article 176. (1) Failure to comply with the terms for payment of the sums owed to the state budget entails the obligation of calculating and collecting the late charges prescribed by law.

2) The late charges may not exceed the debt owed, if the law does not provide otherwise.

Article 177. (1) The state budget expenses proceed in conformance with the objectives of the uniform national plan.

(2) Expenses are made from the state budget for:

a. Financing of the national economy including: investment activities and projects which according to the law are based on the budget, formation of the state reserves, geological exploration and research approved under the uniform national plan, conduct of complex research of overall interest and research approved under priority programs, and other economic objectives or programs, provided under the law;

b. Completion of sociocultural programs;

c. Granting of pensions and completion of other projects under the state social security budget;

d. Defense of the country;

e. Operation of the state power organs, state administrative organs, judicial organs and prosecutor's organs;

f. Completion of other programs and assignments provided under the law.

Article 178. No expense may be included in the state budget or effected by it if there are no legal provision for such expense.

Article 179. The sums approved under the state budget, within whose limit expenses may be effected, represent budget credits which may not be exceeded.

Article 180. The incomes and expenses are listed in the state budget in the sequence determined by the budgetary classification.

Article 181. The socialist units are required to effect fully and on schedule the payments, taxes, dues, and any other sums owed to the state budget and are responsible for the use of the monetary resources received from the state budget, the spending of these sums with maximum economic and social effectiveness and observance of planning and financial discipline.

Article 182. Formation and utilization of financial resources belonging to the state outside the budget may proceed only under conditions determined by legal provisions.

Article 183. The state budget is made up of the national budget and the local budgets.

Section II. The National Budget

Article 184. (1) The national budget concentrates the major part of the budgetary fund and is administered by the state central organs.

(2) The national budget includes the budget of the Grand National Assembly.

(3) The national budget also includes the state social security budget.

Article 185. (1) The incomes of the national budget result from resources derived from state socialist units of countrywide importance and from other incomes specified by law as resources of this budget.

(2) The national budget also receives the income surpluses from the centralized budgets of counties, respectively of Bucharest Municipality, for which the own incomes exceed the planned expenses, in the proportion prescribed by the law on adoption of the state budget.

Article 186. The national budget provides the financial resources needed for facilities and projects which are financed from the central fund for socioeconomic development, for other economic projects and activities, for sociocultural programs which are implemented through the state socialist units of countrywide importance, for the maintenance and operation costs of the central organs of state power, the central organs of state administration, the court and prosecutor's organs, for the country's defense and for other purposes specified by legal provisions.

Article 187. (1) From the incomes of the national budget itemized sums may be earmarked to centralized budgets of counties that cannot fully cover their planned expenses by their own incomes. If not even this procedure assures the incomes required, the difference to the level of planned expenses shall be covered from the national budget.

(2) The itemized sums and the subsidies which are granted from the national budget to supplement the local budgets' own incomes shall be approved annually, for each individual county, under the law.

Article 188. The national budget also includes the budgetary reserve fund at the disposal of the Council of State which is used for supplementation, in justified cases, of credits approved under the state budget for financing, under the law, new projects or assignments which occurred during the course of the year.

Section III. The Local Budgets

Article 189. (1) The local budgets are the budgets of the administrative-territorial units.

(2) Each commune, town, municipality, sector of Bucharest Municipality, county, and Bucharest Municipality has its own budget, which is adopted by the people's council of the administrative-territorial unit involved, under the provisions of this law.

Article 190. (1) The incomes of the budgets of communes, towns, municipalities, sectors of Bucharest Municipality, counties, and Bucharest Municipality result from the resources derived from the state socialist units of local importance, taxes and dues paid by cooperative organizations and economic units of the other mass organizations, taxes from the population, local taxes and other incomes specified by the law as resources of these budgets.

(2) For the purpose of accomplishing self-financing in every commune, town, municipality, and county, the executive committees and bureaus of people's councils are required to take measures to increase the basis of their own incomes by continuously expanding economic activities of local importance, services, and other activities, in light of the needs of the population.

Article 191. The budgets of communes, towns, municipalities, sectors of Bucharest Municipality, counties, and Bucharest Municipality serve to finance, in conformance with the plan provisions, economic projects and activities, sociocultural projects, costs of maintenance and operation of local organs of state power, of local organs of state administration, and other objectives specified by legal provisions.

Article 192. The distribution of incomes and expenses for the various categories of local budgets is effected by the executive committees of people's councils of counties and of Bucharest Municipality, on the basis of the legal standards, in light of the powers of local organs and the subordination of units.

Article 193. (1) In the event that the expenses specified in the budgets of some municipalities, sectors of Bucharest Municipality, towns or communes cannot be fully covered from own incomes, for the balancing of the local budgets involved, itemized sums may be earmarked from the incomes of the national budget collected on the territory of the administrative-territorial unit involved, or subsidies may be granted from the budget of the hierarchically superior administrative-territorial unit.

(2) The itemized sums from the incomes of the national budget which is left available for municipalities, sectors of Bucharest Municipality, towns or communes shall be determined by the people's councils of counties and of Bucharest Municipality, within the limit of the sums approved annually under the law for the various counties and Bucharest Municipality.

(3) In the case of municipalities, sectors of Bucharest Municipality, towns, and communes whose own incomes exceed the planned expenses, the differences involved shall be paid into the budget of the hierarchically superior administrative-territorial unit.

Article 194. The counties, Bucharest Municipality, and the municipalities and towns which include other localities shall also prepare centralized budgets. These centralized budgets shall contain the own budget of the administrative-territorial unit involved and the budgets of the communes, towns, municipalities and sectors of Bucharest Municipality, which are hierarchically inferior, as the case may be.

Article 195. (1) The budgets of counties and of Bucharest Municipality includes budget reserve funds at the disposal of the executive committees of the people's councils involved, which may be used under the provisions of this law for supplementing some budget credits approved through local budgets, for the purpose of financing new projects or assignments which occurred during the course of the year.

(2) In the event that, during the course of the year, the budget reserve funds become insufficient for financing new projects and assignments and the executive committees of people's councils determine some unavailabilities of budget credits which are no longer necessary until the end of the year, the budget reserve funds may be increased by these availabilities up to at most 50 percent of their initial level approved under the budget.

(3) Use may not be made for this purpose of the budget credit availabilities resulting from expenses on remunerations, including the tax on the total fund for remuneration and the input for state social security, the funds for capital investments and repairs, the expenses for which, under the legal provisions, special sources of financing are specified, the expenses for whose coverage supplementations were granted from the budget reserve fund provided for in the national budget, and the availabilities involving budget credits which, according to this law, shall be transferred to the budget reserve fund provided for in the national budget.

Section IV. Preparation, Adoption and Implementation of the State Budget. Conclusion of the Budgetary Year

Article 196. (1) The draft of the state budget is worked out on the basis of the drafts of the income and expenditure budgets of ministries, the other state central organs and centrals, and the drafts of the income and expenditure budgets of counties and of Bucharest Municipality.

(2) The collective leadership bodies of ministries and the other central organs shall assure the preparation of the draft income and expenditure budget regarding the activity of the subordinate units and their own activity.

(3) The executive committees of people's councils shall prepare the drafts of income and expenditure budgets, on the basis of the drafts of income and expenditure budgets of the directly subordinate units and of the drafts of income and expenditure budgets of the hierarchically lower administrative-territorial units.

Article 197. The draft of the income and expenditure budget prepared by ministries, the other state central organs and the executive committees of people's councils of counties and of Bucharest Municipality which include financial indicators, for both the whole activity and for the various centrals, shall be forwarded by them to the Ministry of Finance accompanied by calculations and indicators for substantiation. Moreover, the centrals shall forward the income and expenditure budgets to the Ministry of Finance.

Article 198. The Ministry of Finance shall upgrade the proposals for financial indicators submitted by ministries, the other state central organs, centrals and executive committees of people's councils of counties and of Bucharest Municipality, in conjunction with representatives of these bodies, taking into consideration its own analyses and calculations pertaining to the level of incomes and expenses of the state budget and the conclusions resulting from the inspections conducted on the activity of state socialist units.

Article 199. (1) The Council of Ministers shall examine the surveys submitted by the Ministry of Finance, making improvements on the financial indicators and settling possible differences between the Ministry of Finance and the plan coordinators with respect to the figures proposed to be included in the budget and shall finalize the draft of the state budget.

(2) The draft of the state budget, worked out by the Council of Ministers, after its being examined by the Supreme Council of Economic and Social Development, shall be submitted for approval to the Grand National Assembly.

(3) The draft of local budgets shall be submitted to the debate of the Legislative Chamber of People's Councils.

Article 200. (1) The Grand National Assembly adopts the law on the state budget.

(2) After the law on the state budget has been adopted, the Council of Ministers works out the proposals on the development of financial indicators for the various ministries, the other state central organs, centrals, and executive committees of people's councils of counties and of Bucharest Municipality which is approved by a decree of the Council of State, with concomitant outlining of the measures which should be taken for the proper implementation of the state budget.

Article 201. (1) The drafts of the budgets of counties and of Bucharest Municipality, improved on the basis of the annual law on the state budget and of the indicators approved, according to Article 200 Paragraph (2), are submitted by the executive committees to the people's councils for adoption.

(2) The people's councils of counties and of Bucharest Municipality adopt the centralized budget of the administrative-territorial unit involved, with distribution of incomes and expenses for the various budgets of the component administrative-territorial units, their own budget, and the balancing resources for the various component administrative-territorial units, or the sums which will be collected from the budgets of the hierarchically lower administrative-territorial units, as the case may be.

(3) The people's councils of communes, towns, municipalities and sectors of Bucharest Municipality adopt, within the limits specified by the hierarchically higher people's councils, the local budgets involved.

Article 202. (1) The incomes and expenses provided for in the state budget shall be distributed for the various quarters, in light of the plan assignments developed by a decree of the Council of State and the legal terms for paying the incomes and making the payments.

(2) The distribution of incomes and expenses for the various quarters shall be approved by:

a. The Ministry of Finance, for the national budget on the proposal of the ministries and the other state central organs. Moreover, the Ministry of Finance approves the quarterly distribution of the income surpluses anticipated to be paid into the national budget by the budgets of counties, respectively, of Bucharest

Municipality for which the own incomes exceed the planned expenses, the sums itemized from the incomes of the national budget, and the subsidies which are granted from the national budget to the local budgets on the proposal of the executive committees of people's councils of counties and of Bucharest Municipality;

b. The executive committees or bureaus of people's councils, for the own budgets of the administrative-territorial units involved, and for the subsidies specified to be granted or the sums which are taken over from the local budgets of the hierarchically lower administrative-territorial units;

c. The principal credit officials for the budgets of subordinate units.

Article 203. The quarterly distribution of the incomes and expenses of the state budget may be modified when changes occur in the phasing out of the plan assignments, when the legal terms for paying in the incomes or making the payments are changed, and in other well-justified cases, in accordance with the legal provisions.

Article 204. (1) The budget credits approved under the national budget may only be used after the opening of credits or supply of funds by the Ministry of Finance, and those included in the local budgets, within the limit of the availabilities in the account of the credit official involved.

(2) The granting of funds from the budget shall be made within the limit of the sums and according to the purpose approved, commensurate with the degree of utilization of the resources made available previously, under the legal provisions which regulate the making of the expenses involved.

Article 205. (1) Making of payments directly from the incomes collected for the budget is prohibited, except in cases when the legal provisions stipulate otherwise.

(2) Any expense from the sums received from the state budget may be approved by the credit official and made only if previously it was assessed, under the law, by the head of the financial-accounting department or other persons in charge of exercising preventive financial supervision in socialist units and by other organs with such duties in the economy.

Article 206. (1) The principal credit officials of the national budget are the ministers and the leaders of the other state central organs.

(2) The principal credit officials of local budgets are the chairmen of the executive committees and bureaus of people's councils.

(3) The leaders of state socialist units with legal entity, which are financed from the national or local budget, are, as the case may be, secondary or tertiary credit officials.

Article 207. (1) The principal credit official may approve the effecting of expenses only with observance of the legal provisions and within the limit of the provisions in the income and expenditure budgets of the institutions which they head and have the right to assign, in light of the plan assignments and the degree of utilization of the sums granted previously, budget credits to the hierarchically lower units.

(2) The secondary credit official may use, according to the purpose and with observance of the legal provisions, the budget credits approved for the units which they manage and distribute budget credits to the subordinate units whose leaders are tertiary credit officials.

(3) The tertiary officials shall use the credits which were assigned to them only for the needs of the units which they manage, in accordance with the provisions in the income and expenditure budgets approved and under the conditions prescribed by the law.

Article 208. The principal credit official may delegate the right to approve the use and assign the budget credits to their substitutes by right and to the heads of directorates, the leaders of specialized local organs of state administration or of other similar units, as the case may be.

Article 209. The ministers, the leaders of the other state central organs, the chairmen of the executive committees and bureaus of people's councils, and the leaders of the subordinate state units are responsible for the cost-effective use of the sums received from the budget, the integrity of the assets entrusted to the unit which they manage, for the updated accounting system and submitting of the reports on the implementation of the budget.

Article 210. During the implementation of the state budget, the ministers and the leaders of the other state central organs, and the chairmen of the executive committees of people's councils of counties and of Bucharest Municipality are required, when they make proposals for the formulation of some regulatory acts whose implementation entails decrease in incomes or increase in expenses

specified by the state budget, to also provide for the means needed to make up for the incomes or cover the greater expenses.

Article 211. (1) The ministries, the other central and local organs, the economic units, and the institutions are required, when involving the expenses based on resources specified in the state budget, to analyze the procedure for obtaining the planned budget incomes and act for the implementation of the provisions in the income and expenditure budget, in the context of maintaining the planned balance in the relations with the state budget.

(2) In the event that, at the end of the quarters, the budget incomes were not obtained by some principal credit officials at the planned level and the balance for the overall state budget is not assured, the Ministry of Finance may block, with the non-obtained sum, the budget credit provisions in the following periods for the credit officials involved. Use of the budget credits blocked may only be made in the context of obtaining the incomes at the planned level or with the approval of the Council of Ministers at the request of the principal credit official, with proposals for assuring the planned balance in the relations with the state budget.

Article 212. In the income and expenditure budget of ministries, the other state central organs and in the local budgets, and also in the income and expenditure budget of their subordinate units, transfers of budget credits may be effected, beginning in the second quarter of every year, with observance of the following conditions:

a. That they be approved prior to involving expenses;

b. The availabilities used should not result from budget credits provided for remunerations, including the tax on the total fund for remuneration and the input for state social security, capital investments and repairs, from the sums made available from the budget reserve funds or from other funds whose purpose was specified by legal provisions;

c. That the budget credits approved for maintenance and operation of state organs be not increased;

d. That the sums provided in the budget for supplementing the own resources of some state institutions be not increased, except for the situations when, based on legal approvals, the fund for remuneration of work, approved for these units, is supplemented.

Article 213. The transfers for budget credits shall be approved by:

a. The Ministry of Finance, in the cases when the transfers of credits are effected from one chapter to another chapter of the budget classification;

b. The ministers and the leaders of the other state central organs, for the transfers of budget credits from one subchapter to another subchapter within the same chapter, and from one item to another within the same subchapter of the budget classification;

c. The executive committees and bureaus of people's councils, for the transfers of budget credits from one subchapter of expenses to another one within the same chapter of the budget classification;

d. The chairmen of the executive committees and bureaus of people's councils, for the transfers from one item to another within the same subchapter of the budget classification;

e. The credit officials, for the transfers of credits from one paragraph to another within the same item of the budget classification in the case of the institution's own expenses.

Article 214. In cases when, based on the legal provisions, there are transfers of units, projects or assignments from one plan coordinator to another, or investment projects from the reserves approved to this end are introduced in the plan, the Ministry of Finance shall introduce the corresponding modifications in the financial indicators of the plan coordinators and in the volume and structure of the state budget.

Article 215. (1) In the event that, under the legal provisions, the fund for remuneration of work planned is increased, the budget credits for remunerations, including the tax on the total fund for remuneration and the input for state social security may be supplemented by transfers from other categories of expenses, with the exception of those designed for financing investment projects.

(2) When, according to legal provisions, the investment plan is increased, the budget credits for this purpose may be supplemented with transfers from any other category of expenses, except those for remunerations, including the total fund for remuneration and the input for state social security.

Article 216. (1) The budget credits that remained unused at the end of the first, second, and third quarters shall be blocked, except those for purposes of the central fund and local fund of the administrative-territorial units for socioeconomic development or for other economic projects and activities.

(2) The Ministry of Finance, for the units financed from the national budget and the executive committees or bureaus of people's councils, for the units financed from local budgets, may approve the use in the following quarter of the budget credits blocked at the end of the first, second, and third quarters at the justified request of the principal credit officials of the national budget, respectively the credit officials of local budgets.

(3) The availabilities from budget credits for remuneration, specified according to the legal provisions, including the tax on the total fund for remuneration and the input for the social security involved, shall be transferred to the budget reserve fund provided in the national budget. The same procedure shall be used for: the blocked availabilities from the budget credits for which there was no request or no receipt, within 45 days after the end of the quarter, of the approval for use in the following period; the availabilities which occurred during the course of the year as a result of noncompletion of some planned projects or assignments which underlay the approval of the budget funds; other availabilities provided by the law.

Article 217. (1) The budget reserve funds at the disposal of the executive committees of people's councils of counties and of Bucharest Municipality, established in accordance with Article 195, may be used for new projects or assignments such as those included in the local fund for socioeconomic development or in the other parts of the budget, at the levels specified for these under the annual budgets.

(2) In well justified cases, the projects financed from the budget reserve fund at the disposal of the executive committees of people's councils of counties and of Bucharest Municipality, which were not completed by the end of the year, may also be paid for in the following year from the budget reserve fund.

(3) The involvement of the budget reserve funds may begin in the second quarter, after the completion of the accounting report for the first quarter, if at the time of involvement the own incomes planned in the period concerned for the county or Bucharest Municipality, as the case may be, were fully realized, and if the required conditions for these incomes to also be realized for the whole year were ensured.

(4) For covering the expenses relating to restoration of some projects that were destroyed or deteriorated, as a result of natural calamities, which occurred in the first quarter of the year, and for the continued projects specified in Paragraph (2) the executive committees of people's councils of counties and of Bucharest Municipality may involve the budget reserve funds even in that quarter.

(5) Prohibited is commencement of expenses by the executive committees of people's councils from the budget reserve funds approved in the local budgets for restoring construction-assembly work that was performed unsatisfactorily, increasing the subsidies approved for state economic units or institutions, and for supplementing maintenance and operation costs for local organs of state administration, except for urgent capital repairs on buildings used for administrative activities and connecting projects and other installations.

(6) If the planned own incomes were not obtained in the overall county, the budget reserve fund which may be used shall be reduced with the equivalent of the incomes that were not obtained at the time of commencement of use of the budget reserve fund.

Article 218. (1) For the purpose of bridging the temporary gaps which occurred during the course of the year between expenses and incomes in the budgets of communes, towns, municipalities and sectors of Bucharest Municipality, the executive committees or bureaus of people's councils of their hierarchically higher administrative-territorial units may grant loans from the available resources of their budgets. The right to approve these loans may be delegated by the executive committees or bureaus of people's councils to the chief credit officials or their deputies by right.

(2) In case the lags involved also appear at the level of the budgets of counties and Bucharest Municipality, their temporary bridging may be done by granting loans from the available resources of the national budget, by the Ministry of Finance, at the justified request of the executive committees of people's councils.

Article 219. The incomes that are achieved above the levels specified in the national budget may be used during the course of the year, with the approval of the Council of Ministers, for financing new assignments pertaining to the national economy and social-cultural projects.

Article 220. (1) The executive committees and bureaus of people's councils may use the sums collected from the own incomes of local budgets above the planned levels only beginning in the third quarter of the plan year, for meeting economic expenses and completion of specific sociocultural projects, introducing the corresponding changes in the local budgets under the following conditions:

a. The exceeding of collections must involve the totality of the own incomes planned in the local budget concerned and must continue until the end of the year;

b. The income surpluses must come from the activity of the plan year and must not be the result of changes in laws or specific underevaluations found by the organs of the Ministry of Finance or other supervisory organs.

(2) The changes made in the local budgets, according to the provisions of this article, shall be submitted for ratification to the people's councils, at their first session.

Article 221. The executive committees and bureaus of people's councils may cancel the decisions of the hierarchically lower people's councils' executive committees and bureaus under which supplemental income and expense plans, transfers of credits, changes of quarterly allocations or other changes in local budgets were approved, without observance of the legal provisions.

Article 22. (1) The budget credits which remained unused at the time of the expiry of the budget year shall be cancelled by effect of the law.

(2) Any amount owed, but unpaid from the budget, and any amount due but not collected from the budget, by 31 December shall be paid, respectively collected, on account of the budget for the following year.

(3) In exceptional cases, the Council of Ministers may approve making some expenses, after the conclusion of the budget year, from the budget of the expired year for procedures completed but not cleared by the end of the year.

Article 223. (1) The surplus of the national budget shall be used for economic and sociocultural projects or for other projects, under the legal provisions or as a resource for crediting of the national economy.

(2) The annual balances of the local budgets shall be provided as incomes in those budgets for the following year.

(3) The possible differences in terms of overage or shortage after the conclusion of the budget year, versus the balances provided in the local budgets, shall be regularized with the national budget, with the exceptions specified by the legal provisions.

Article 224. On the basis of the accounting reports submitted by ministries, the other state central organs and executive committees of people's councils of counties and of Bucharest Municipality and after these reports were verified and analyzed, the Ministry of Finance shall work out the projects on the general account on conclusion of the budget year, which it submits to the Council of Ministers.

Article 225. The Council of Ministers shall analyze the projects submitted by the Ministry of Finance and prepare the general account on conclusion of the budget year, which it forwards, after its being examined by the Supreme Council of Economic and Social Development, for adoption to the Grand National Assembly, together with the co-report of verification of the Higher Court of Financial Control.

Article 226. (1) The Grand National Assembly adopts the general account on the conclusion of the budget year, at the latest by the end of the year following the year involved.

(2) Similarly, the people's councils shall approve the general accounts on the conclusion of the local budget year, prepared by the executive committees or bureaus involved, as the case may be.

Chapter X. Duties and Responsibilities in Preparing and Implementing the Income and Expenditure Budget, the State Budget and the Other Financial Plans

Article 227. (1) The Council of Ministers, supreme organ of state administration, exercises the overall leadership of the executive activity in the financial field, is responsible for the preparation of the draft state budget and for its implementation after it was adopted by the Grand National Assembly.

(2) In exercising its powers, the Council of Ministers periodically examines the financial situation in the overall economy and in the various branches or sectors of activity and the implementation of the income and expenditure budgets, the state budget and the other financial plans, completes the analysis in the overall economy of the results of the economic-financial activity based on the balance-sheet, outlines measures for the maintenance of the financial, monetary and foreign currency balance, for the continuous strengthening of the role of finance and credit in the economy.

(3) Moreover, the Council of Ministers takes measures to strengthen responsibility in managing public assets, to institute a strict system of savings, to reduce consumption rates, and to combat any form of waste.

Article 228. (1) The Ministry of Finance implements the party and state policy in the financial field and acts for ensuring the financial, monetary and foreign currency balance of the country.

(2) The activity of the Ministry of Finance must focus on the continuous rise in efficiency in the national economy.

Article 229. The Ministry of Finance has the following duties and is responsible for their completion:

- a. It is involved in the preparation of forecasting estimates and five-year and annual plans for the socioeconomic development of the country; in conjunction with the State Planning Committee, it prepares the centralized financial plan, the plan proposals on production and turnover costs and the efficiency indicators;
- b. It works out the projects on the preparation of the state budget; monitors and supervises the proper implementation of the state budget; guides and supervises the preparation and implementation of the income and expenditure budget of units; takes or proposes, as the case may be, measures for greater responsibility in management of assets, the rational use of these assets, elimination of violations, and strengthening of planning and financial discipline;
- c. It cooperates with the central coordinating organs in preparing and supervising the implementation of the balance of the population's cash incomes and expenses, of the credit and cash plans, of the foreign payments balance and of the balance of foreign credits and commitments;
- d. It assures the financing of the branches of the national economy on the basis of the provisions of the uniform national plan, state budget and income and expenditure budget; it monitors and determines the efficient utilization of the funds;
- e. It exercises, under the law, in the name of the state and for the protection of the state interests, control over the economic-financial activity of ministries, the other state central organs, banking institutions, executive committees of people's councils, centrals, enterprises, and other socialist units;
- f. It analyzes and assesses the technical-economic indicators provided in the legal documentation for investment projects, under the law;
- g. It organizes, guides and monitors the determination and collection of state incomes owed by socialist units; it guides and supervises the procedure for determining the taxes, identifying the incomes and collecting taxes and dues from the population;
- h. It prepares, on the basis and for the purpose of implementing the legal provisions, methodological standards on financial planning, implementation of the state budget, determination and collection of state incomes, and the accounting system of socialist units; it determines the budget classification of incomes and expenses;

i. It participates in foreign negotiations on financial-foreign currency problems and economic cooperation matters and in international financial organizations;

j. It monitors, in conjunction with the Ministry of Foreign Trade and International Economic Cooperation, the fulfillment of the financial obligations, under the contracts concluded as part of economic and technical-scientific cooperation programs;

k. It represents the state as subject of rights and obligations before arbitral and judicial organs and in any other situations in which it participates directly in its own name in legal reports, in cases when the law does not appoint another body for this purpose;

l. It also fulfills the other duties provided for in its law on organization and operation or in other legal provisions.

Article 230. The Ministry of Finance participates, together with the Central Directorate of Statistics, the State Planning Committee, the Ministry of Technical and Material Supplies and Management of Fixed Assets, the banks and other central organs concerned in the organization of the evidence of the national wealth.

Article 231. The ministry of Finance, together with the State Planning Committee, the Ministry of Technical and Material Supplies and Management of Fixed Assets, the Central Directorate of Statistics, the banks, the other central organs and the ministries, systematically analyze, based on balance sheets, the results of the activity in the overall economy and in the various branches and sectors of activity, the volume and structure of stocks and take or propose measures to upgrade the economic-financial situation of socialist units.

Article 232. The National Bank of the Socialist Republic of Romania, the Bank for Agriculture and Food Industry, the Investment Bank and the Romanian Bank of Foreign Trade, as state organs, implement and assure the fulfillment, in their activity, of the party and state policy in the monetary and credit field, in conformance with the provisions of this law and their laws and statutes of organization and operation.

Article 233. (1) The banks are required to supervise, in the name of the state and for the protection of its interests, the manner in which the monetary assets are formed and their evidence kept, the way in which the material and financial assets of socialist units are used, and to take measures for tapping of new prospects for increasing the incomes, full and on-schedule collection of the state's rights in lei and foreign currency, effecting of expenses in a rigid system of savings and in conformance with the

purpose specified under the plan, and assurance of on-schedule repayment of the credits granted.

(2) The banks work for completion of the assignments which result from the credit and cash plans and for integration of the monetary circulation within the limits approved. They shall release funds only within the limits of the plans approved and in the context of legal provisions.

Article 234. The banks, each in its sphere of activity, have the following duties and are responsible for their completion:

- a. They participate in the preparation of the uniform national plan of socioeconomic development;
- b. They exercise control over the completion by economic units of the production and goods turnover plans and the income and expenditure budgets, the management of material and financial assets, and the use of circulating assets, and take prompt steps to strengthen discipline in the area of credit and clearing;
- c. They effect credit procedures, clearing and other banking procedures and supervision over the use of the remuneration fund;
- d. They effect procedures on cash implementation of the state budget; they exercise, according to legal provisions, control over the obtaining of the state incomes and completion of budget expenses;
- e. They participate in the preparation of the foreign trade balance and monitoring of its completion;
- f. They conclude bank arrangements in implementation of payment agreements, credit conventions and other foreign financial arrangements; they complete financial-banking cooperation projects.

Article 235. The National Bank of the Socialist Republic of Romania, as the central and issuance bank, has the following specific duties and is responsible for their completion:

- a. It issues and puts in circulation bank-bills and metal coins, in accordance with legal provisions;
- b. It organizes and coordinates money circulation and the activity for short-term crediting and clearing in close conformance with the needs for the development of the national economy; it monitors and analyzes the phenomena and marketing trends in the area of money circulation and credit, in the process of implementation of the plan, and acts for assurance of the normal evolution of money circulation and credits;

c. It prepares, together with the specialized banks and other central organs specified in the legal provisions, the projects for cash and credit plans for the overall economy, on the basis of the tasks provided in the uniform national plan and the state budget;

d. It grants credits to specialized banks in supplementation of their funds and monitors the manner in which these assets are administered;

e. It grants to specialized banks credits in supplementation of their funds and monitors the way in which these assets are administered;

e. It organizes the procedures on cash completion of the state budget, on the basis of the provisions given with the agreement of the Ministry of Finance;

f. It determines, changes or proposes, in accordance with legal provisions, together with other central organs, the rate in lei of foreign currencies; it organizes and effects, directly or through other socialist units, the foreign currency exchange;

g. It participates, together with other central organs, in preparing the drafts of the plans for assignments and recoveries of precious metals; it guards and manages the state reserve of precious metals;

h. It exercises control over production, processing and circulation of precious metals, in accordance with legal provisions;

i. It also fulfills the other duties provided in the law on organization and statute of operation.

Article 236. The Bank for Agriculture and Food Industry and the Investment Bank, as specialized banks, each in its sphere of activity, have the following specific duties in the area of investments and are responsible for their completion:

a. They participate in the preparation of the investment plan and in determination of the objectives for the various centrals and enterprises, acting toward maximum use of the existing facilities and highly-efficient use of the investment funds;

a. They effect control over the requests for financial assets of the users of investment projects and monitor utilization, in accordance with legal provisions and standards, of the funds made available to them;

c. They analyze and assess the technical-economic documentations for investment projects, under the law;

d. They organize and complete procedures for financing and crediting of investment projects; they supervise the constitution of investment funds and their utilization in conformance with the purpose determined under the plan;

e. They exercise control and take action for completion of the investment plan;

f. They also fulfill the other duties provided in the laws on organization and statutes of operation.

Article 237. The Romanian Bank of Foreign Trade, as a bank specialized for effecting transactions with foreign countries, has the following specific duties and is responsible for their completion:

a. It organizes and effects collections and payments on foreign trade transactions, administers availabilities in foreign payment assets; it buys and sells at home and abroad effective foreign currencies, trade assets, and foreign titles and bonds;

b. It concludes arrangements of correspondent with foreign banks and financial institutions;

c. It receives and grants foreign currency credits from and in foreign countries and to this end concludes conventions or other credit arrangements; it grants foreign currency credits to Romanian economic units which conduct foreign trade activity and to joint companies with headquarters in Romania, in conformance with legal provisions;

d. It issues trade assets in favor of some foreign customers and accepts trade assets issued to it; it endorses and guarantees trade assets issued by third parties, issues and accepts guarantees for payment arrangements abroad;

e. It also fulfills the other duties provided in the law on organization and statute of operation.

Article 238. In the exercise of their duties, the National Bank of the Socialist Republic of Romania and the specialized banks prepare, on the basis of and in implementing the legal provisions, methodological standards on planning and granting of credits for production and circulation of goods, financing and crediting of investment projects, effecting of payments without cash and cash transactions, effecting of foreign clearing, calculation, release

and control of the utilization of the remuneration fund and on other bank transactions.

Article 239. The Savings and Loan Bank of the Socialist Republic of Romania, as a banking institution specialized in relations with the population, has the following duties and is responsible for their completion:

a. It organizes the involvement of the population's money savings; it effects transactions for receipt of the savings for safekeeping and the amounts deposited;

b. It effects transactions for crediting the population for building privately-owned dwellings and for purchasing dwelling from the state housing supply, and in other cases provided by the law;

c. It effects transactions on cash implementation of the state budget and other collection and payment transactions and provides bank service to units and organizations that deposit their monetary assets in accounts at the Savings and Loan Bank;

d. It also fulfills the other duties provided in the law on organization and statute of operation.

Article 240. (1) The credit cooperatives grant their members loans from their own funds, for the purposes and under the terms specified by their bylaws and other legal provisions.

(2) The credit cooperatives may effect, on the basis of conventions concluded, money order operations for other institutions.

Article 241. The State Insurance Administration's duties, for whose completion it is responsible, include organization of the activity of insuring assets, persons and civil liability, outlining or proposal of measures for continuous expansion, upgrading of the specific instruments and improvement in service to the insured, and other assignments specified in the law on organization and operation.

Article 242. (1) The Financial-Banking Council, a consultative organ of the Council of Ministers, analyzes the phenomena and trends that appear in the financial, monetary and foreign currency field, prepares surveys and analyses and puts forward proposals of measures for implementation of the party and state monetary and financial policy, increase in the efficiency of material and financial assets, strengthening of the purchasing power of the national currency, and active use of the financial factors.

(2) The Financial-Banking Council takes action and outlines measures, under the law, for firm implementation of the financial policy of the Romanian Communist Party in the economy and for use of the financial factor in control over economic-social activity.

Article 243. (1) The Higher Court of Financial Control, an organ of the Council of State of the Socialist Republic of Romania, exercises, in accordance with its law on organization and operation, preventive and subsequent financial supervision, aiming at observance of the party decisions and the laws of this country, increase in the economic and social efficiency of assets in all areas of activity, wise management of material and financial assets, strengthening of financial discipline, support of socialist units in outlining approaches and measures to prevent and eliminate deficiencies, and upgrading of their economic-financial activity; it exercises jurisdictional powers on patrimonial responsibility for damage caused to public property and administrative responsibility for violation of financial legal provisions.

(2) The Higher Court of Financial Control orientates and coordinates the activity of financial-banking supervision and assures uniformity in concept, method and development of this activity.

Article 244. The ministries and the other central organs, in fulfilling their duties in the financial area, take action and are responsible for:

a. Preparation of the income and expenditure budget and ensuring of the implementation of its provisions; full realization, for the overall ministry and for each subordinate unit, of the profits and the other financial accumulations planned, of the resources for financing of investment projects, fulfillment on schedule and at the levels specified under the plan of the obligations with respect to repayment to society of the sums received for investment projects and circulating assets, and of the obligations with respect to payments into the state budget; legal and efficient constitution and utilization of the assets;

b. Increase in the efficiency of the goods exported, projects completed, international services provided, efficient completion of the international economic and technical-scientific cooperation programs;

c. Analysis based on the balance-sheet of the economic-financial activity of subordinate units and taking of measures to continuously improve this activity, for the greater input of branches into the socioeconomic development of the country;

d. Systematic exercise of control over the activity of subordinate units, for realization of incomes and integration into the expense level provided in the income and expenditure budget, better use of their technical-material base;

e. Implementation of other assignments provided under legal provisions.

Article 245. The executive committees of people's councils of counties and of Bucharest Municipality, of municipalities and of sectors of Bucharest Municipality, and the executive bureaus of people's councils of towns and communes, in fulfilling their duties in the financial field, take action and are responsible, as the case may be, for:

a. Assuring the self-financing of the administrative-territorial units by permanently increasing their own incomes;

b. Preparing and properly implementing their own income and expenditure budget and the income and expenditure budgets of the hierarchically lower administrative-territorial units and of the other subordinate units; legally and efficiently constituting and utilizing the assets;

c. Preparing and supervising the implementation of the territorial financial plans;

d. Organizing, guiding and supervising the activity of the local specialized organs in regard to determining and collecting taxes, dues, and other budget incomes;

e. Systematically exercising control over the economic-financial activity of subordinate units for the purpose of strengthening self-management and self-administration, planning and financial discipline, and protecting public property;

f. Analyzing the balance-sheets and taking measures to continuously improve the economic and financial indicators of the subordinate units;

g. Fulfilling other duties specified in the legal provisions.

Article 246. (1) In the implementation of the assignments in the area of local finances, financial boards, which also are subordinated to the Ministry of Finance, are organized to work under the executive committees of people's councils of counties and of Bucharest Municipality, as local specialized bodies.

(2) The financial boards have the following duties and are responsible for their completion:

- a. To prepare the projects for working out the draft income and expenditure budget and of local budgets;
- b. To supervise the proper implementation of the income and expenditure budget, of the local budgets, and the manner in which the financial indicators are attained by the local units, in conformance with the purpose and at the levels specified, in the context of legal provisions;
- c. To prepare, in conjunction with the territorial planning organs and the banking units, the territorial financial plan and to periodically follow up its implementation;
- d. To participate in the preparation of the drafts of credit plans and of the cash plan, and to follow up the implementation of these plans;
- e. To effect, under the legal provisions, the taxation of physical and legal persons and to determine the premiums for insurance by effect of law;
- f. To supervise the full collection of taxes, dues and other incomes of local budgets and of the premiums for insurance by effect of law;
- g. To organize financing procedures and accounting procedures in implementation of local budgets;
- h. To prepare reports on the implementation of local budgets and to develop the procedures on the account of conclusion of the budget year;
- i. To participate in the preparation of the territorial planning projects;
- j. To guide and supervise the activity of the hierarchically lower local specialized organs;
- k. To also fulfill other duties, in conformance with the legal provisions.

(3) Financial divisions or financial services, as the case may be, which fulfill the duties provided in the previous paragraph, adapted to their specific nature, are organized to work under the executive committees of municipal people's councils and the executive bureaus of town people's councils.

Article 247. (1) The territorial coordination of the measures for the implementation of the party and state policy in the financial, monetary and credit areas proceeds through territorial financial-banking commissions, which are organized in each county and in Bucharest Municipality.

(2) The territorial financial-banking commission examines the draft of the territorial financial plan and the procedure for its implementation; it coordinates the activity of control over the state incomes and taxes and dues from the population; it organizes in the units of national and local importance complex projects of analysis and supervision with respect to the preparation of the income and expenditure budget, the management of material and financial resources, observance of planning and financial discipline and of the legal provisions in the area of prices; it periodically analyzes the procedure for implementing the credit and cash plans, the use of investment funds and the economic and financial results of the socialist units in the county; it examines problems pertaining to accounting and organizes the procedure for the verification and analysis by the financial-banking and statistical organs of the annual balance-sheets of socialist units; it also analyzes other matters in the financial, monetary and credit areas, which are of special importance.

Article 248. The centrals and enterprises, in implementing their duties in the financial field, take action and are responsible for:

- a. Preparation of the income and expenditure budget and assurance of implementation of its provisions; full realization of profits and of the other financial accumulations planned, of the resources for financing investment projects; the implementation on schedule and at the planned levels of the obligations with regard to repayment to society of the sums received for investment projects and circulating assets and of the obligations regarding payments into the state budget; legal and efficient constitution and utilization of the assets; permanent maintenance of the payment capacity;
- b. Increase in the efficiency of the products exported, projects completed and services provided to other countries; completion in the context of efficiency of the international economic and technical-scientific cooperation programs;
- c. Utilization with maximum efficiency, under the legal provisions and in conformance with the plan provisions, of the material resources and work force, of the production and investment funds, ensuring the constant reduction of operating costs and especially of materials expenses; continuous strengthening of economic and financial self-management;

d. Organization of the accounting system and exercise of strict financial control over the way in which are applied the laws and decisions, the decisions of the hierarchically higher bodies and the own decisions, for strengthening responsibility, order and discipline in the management of material and financial assets;

e. Fulfillment of the other duties specified by the Law on the organization and management of state socialist units and by other legal provisions.

Article 249. (1) The collective leadership organs of socialist units assure the direct participation of working people in the management of the entire economic-financial activity, discussion and resolution of the important economic and financial problems of the unit and are responsible for the formulation and implementation of the measures required for the completion of the plan assignments.

(2) The councils of working people are required to submit to the general assembly of working people, for adoption, the income and expenditure budget, the analysis of the economic-financial activity based on the balance-sheet, the tasks and objectives for the following period and the organizational and technical measures for implementation.

Article 250. (1) The leader of the socialist unit and the head of the financial-accounting department are responsible to the state and to the collective of working people of the unit, for the observance of planning, contractual and financial discipline, for taking of measures to assure the integrity of public property, the development and efficient management of the material and financial resources, and has the duty to turn down, under the law, any patrimonial procedure that violates the legal provisions.

(2) The involvement of the material and financial expenses of the unit shall be made, under the law, only by the manager and the head of the financial-accounting department of the unit.

(3) The head of the financial-accounting department has the duty to exercise preventive financial supervision over the economic efficiency indicators on the technical-economic documentation, prior to submission for approval, specifically focusing on assuring the marketing of the output on the domestic and foreign markets and its competitive nature in terms of quality and efficiency, obtaining of efficiency indicators which are higher than those obtained in similar existing production facilities, also taking into consideration the long-term technical and economic evolution and reduction of the cost of investment projects. Moreover, he exercises preventive financial supervision over the documentation that involves payments in foreign currency, aiming

at ensuring the efficiency of the assets used and integration into the financial and foreign currency balance planned.

Article 251. The leader of the socialist unit on his appointment to the post takes over, under the law, the administration of the unit's resources assuming under contract the commitment and responsibility to carefully and efficiently manage and expand the material and financial assets of the unit.

Article 252. The head of the financial-accounting department is responsible for the financial-accounting activity and for this purpose:

a. He ensures, in conformance with the legal provisions, the preparation of the income and expenditure budget and the supervision over the way in which the economic-financial indicators are attained and takes or proposes measures for a rise in profitability, acceleration of the turnover rate for circulating assets, realization of the resources for the formation of the unit's own funds, the sensible management of these funds, of the other material and financial assets and fulfillment of the unit's financial obligations;

b. He organizes the accounting system and the preparation of balance-sheets;

c. He ensures the fulfillment of the duties of the financial-accounting department in regard to preventive financial supervision, prompt daily control and the analysis based on the balance-sheet of the results of the unit's activity; he monitors the constitution of the planned funds and their utilization in conformance with the purpose, in the context of the legal provisions.

Article 253. (1) The head of the financial-accounting department and the organs in charge of preventive financial supervision shall deny endorsement on orders, contracts, clearing papers and other documents which generate financial obligations, for supplies over the necessary amount or related to production of goods without assured marketing, and for documents which indicate exceeding of standard consumption rates for materials and labor.

(2) The preventive financial supervisory organs are responsible together with the managements of socialist units in case they give endorsements for irrational supplies or for production of goods without assured marketing.

Article 254. The heads of the departments of supplies, production, marketing, organization of work and of the other departments, each in his sector of activity, are required to concern themselves

with increasing economic efficiency, to follow planning, financial and contractual discipline and are responsible, under the law, for determining the requests and orders for materials in strict agreement with the production planned, integration into the operating costs approved, observance of the legal provisions on consumption rates, the level of stocks, the quality and marketing of goods, hiring and remuneration of personnel, and other provisions which govern economic activity.

Article 255. The obligations of the head of the financial-accounting department and of the heads of the other departments shall figure in the contracts which are concluded on their appointment, on the basis of the provisions of this law and of other legal provisions.

Article 256. The leaders of socialist units, the other executives and the subordinates, each on the basis of the duties specified, are liable disciplinarily, materially, civilly, contraven- tionally or penally, as the case may be, when they do not comply with their obligations under the provisions of this law and the other legal provisions on the management of resources, protection of public property and involvement under the law of material and financial assets.

Chapter XI. Final Provisions

Article 257. (1) This law takes effect on the date of 1 January 1973.

(2) On the same date, Law No 3/1949 on the preparation, implementation and completion of the general budget of the Romanian People's Republic, Decree No 265/1949 on the obligativity of written contracts and regulation of payments between enterprises and economic organizations, Decree No 485/1954 on authorization of the Ministry of Finance to approve supplementations for some financial plans, and any other contradictory provisions are repealed.

Article II. The amendments and supplements stipulated under this law shall be implemented beginning with the activity of the year 1979.

Subject to the obligation of repayment also are the sums received in 1978 from centrals or from the state budget for financing investment projects, diminished by the amortization of fixed assets and other resources for investment projects paid to the centrals during the same period.

This law was adopted by the Grand National Assembly at the session of 6 July 1979.

Chairman of the Grand National Assembly
Nicolae Giosan

Bucharest, 6 July 1979.
No 2.

Appendix No 1

List of Investment Projects of the Type of Major Expansion
Projects Which Are Financed From the Budget and Other Resources
Constituted at Centrals

I. Industry

Expansion of production facilities of electric and thermal power in thermoelectric power stations and hydroelectric power systems with capacity greater than 100 MW and electric lines and stations of 220 kW and 400 kW

Projects relating to discovery of reserves, drilling and putting into operation of oil wells (including projects prior to confirmation of reserves)

Projects relating to discovery of gas reserves, including projects prior to confirmation of reserves

Main pipelines for oil

New installations for recovery of fractions from oil gas

Opening and utilization of coal and shale deposits

Opening and utilization of deposits of cupriferous ores and non-ferrous metals, iron and nonmetal minerals and rare metals

Expansion projects with capacity increase of more than 300,000 tons a year for mines of pit coal, iron and nonferrous metals and more than 500,000 tons a year for mines and pits.

Other expansion projects for existing economic units

Over 200 million lei

Sand mining units

Over 25 million lei

Forest roads

Over 20 million lei

Zonal thermal power stations and treatment stations on industrial platforms

II. Construction-Assembly

Production bases and expansion of existing ones Over 5 million lei

Ballast units centers for prefabricated sections
at construction organisations Over 5 million lei

III. Agriculture

Nurseries

Animals for the basic herd (cattle and sheep)

Complexes and farms for cattle, hogs, sheep and fowls, including
slaughterhouses

Land improvement projects in systems (irrigation, drainage and
control of soil erosion, and so forth)

Hop plantations

Water management projects

IV. Silviculture

Afforestation projects

Torrent correction

V. Stations for Mechanisation of Agriculture

Provision with tractors and combines

VI. Transportation

Provision with locomotives and railroad cars

Railroad tracks, doubling and electrification on railroad tracks

Bridges over the Danube and Borcea

Seagoing and rivergoing vessels, including fishing vessels

Shipping canals

Subway construction and expansion projects

Airport construction and expansion projects

Provision with aircraft

Systematization and expansion projects involving harbors, dams, and piers

VII. Telecommunications

Expansion of radio and television systems

VIII. Scientific Research

Agricultural and zootechnological research stations and training farms attached to agricultural institutes

Expansion projects at nuclear research institutes	Over 10 million lei
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Expansion projects at existing research institutes	Over 15 million lei
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IX. Communal Administration

Water supply projects

Sewage projects and treatment stations

Steam power main networks

New networks and expansion projects for public and town transportation, including provision of streetcars, buses, and trolley-buses

X. Contracting-Procurement

Grain silos

XI. Domestic Trade

New stores and warehouses and expansion projects	Over 5 million lei
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XII. Tourism

Cableway transportation

Hotel and catering complexes	Over 20 million lei
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XIII. Technical-Material Supplies

New storage units and expansion projects
at existing supply centers

Over 3 million lei

Appendix No 2

List of Projects and Facilities for Which Investment Credits Are
Granted and Maximum Periods for Repaying the Credits

<u>Current No</u>	<u>Investment Projects</u>	<u>Maximum Repayment Period (in years)</u>
1.	Agricultural production cooperatives [1] (new investment, expansion, and modernization projects)	
	Land improvement projects	25
	Vineyard plantations	10
	Plantation of fruit trees, mulberry trees, hop, fruit bushes and suchlike	10
	Production structures for basic and related activities (vegetable growing, animal husbandry, storage of farm products, related activities, water supply and electrification projects, and other production facilities)	12
	Industrial agrozootechnical structures including:	
	Hog raising complexes	18
	Powl breeding complexes	15
	Pattening farms for junior cattle	16
	Milch cow farms	20
	Vegetable and fruit nurseries	20
	Heated nurseries	15
	Dwellings for farm experts	15
	Machines, installations, facilities, trucks and trailers	8

<u>Current No</u>	<u>Investment Projects</u>	<u>Maximum Repayment Period (in years)</u>
	Livestock and draft animals	8
	Use of mechanization, upgrading of production technology and expansion of farm product processing activities	8
2.	Cooperative members and producers with private farms	
	Bee colonies, beehives and hive trailers	5
	Production cattle (cows, heifers)	5
	including:	
	For cooperative members (maximum 3 head) [2]	5
	Production sheep (ewes and ewe lambs)	5
	including:	
	For cooperative members (maximum 15 head) [2]	5
	Hogs for breeding purposes	
	Sows and boars	3
	Young sows and boars	4
	Nursery stock for fruit tree plantations, fruit bushes, support stock on an area of 0.3-3.0 ha for producers with private farms	5
	Construction materials for new projects and repair of animal sheds	5
3.	Members of associations of producers with private farms in noncooperativized localities for completing projects of common interest	
	Bee colonies, beehives and hive trailers	5
	Production cattle	5
	Sheep	5
	Fruit tree plantations	10

<u>Current No</u>	<u>Investment Projects</u>	<u>Maximum Repayment Period (in years)</u>
	Plantations of fruit bushes, raspberry, black currant, and rose bushes for jams	3
	Structures for fruit storage	10
	Water supply projects	10
	Meadow improvement projects	6
	Zootechnological construction projects	10
	Mechanical facilities for:	
	Pomiculture	8
	Animal husbandry	8
	Plant growing	8
	Land improvement projects	10

FOOTNOTES

1. Credits for expansion projects and modernization involving existing machines and installations, introduction of mechanization, improvement of production technology and development of farm product processing activity may also be granted to inter-cooperative economic associations under the law, under the same repayment terms.
2. According to the bylaws of the agricultural production co-operative, the general assembly may approve that, depending on local conditions and potentialities, cooperative members may own a greater number of cattle and sheep per family.

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ADDITIONS TO DISCUSSION AT CROATIAN 17 JULY LC CENTRAL COMMITTEE SESSION

Zagreb VJESNIK in Serbo-Croatian 19 Jul 79 p 3

[Excerpts] Venceslav Kovacevic continued by evaluating data, i.e., statistics on the structure of the LC membership. In his opinion, the problem of the national structure is current, but it is too complex to be explained by global data, without taking in consideration new social and political elements. From a simple interpretation of global data on the participation of Croats and Serbs in the Croatia LC membership--without analyzing the historical, political and social circumstances--wrong conclusions could be drawn (which were used by Croatian nationalists), [namely], that there is a dominant influence by the Serbian nationality in social-political processes and that Croats, through their low participation in the LC, express their oppositional position toward the present condition in the Socialist Republic of Croatia.

Andjelko Jukic thinks that the understanding of the need for changes in the LC activity has penetrated widely in organizations and the membership of the LC, and this is relatively a great success. When the statutory changes were implemented, the real condition in the basic organizations was discovered, which was also proved by work stoppages: in those places where work stoppages occurred, the LC did not act, regardless of the fact that it was there. The basic organizations were caught by surprise by the work stoppages, and their first reaction was--the enemy is among us!

Jukic pointed out that the structure of the LC is in many areas bad, illustrating this with an example of a work organization with about 3,000 workers, while in the party organization there were as many as 73 percent clerks and persons with other similar professions (not even half of the management is in the LC membership). His opinion is that the middle class is prevailing in the League of Communists.

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YUGOSLAVIA

BRIEFS

CIVIL DEFENSE FUNDING, PARTICIPATION--During the past 3 years of implementation of the medium-term plan for outfitting civil defense units and headquarters entities, 3 times more funds have been invested than in 1971-1975 [no figures]. At the end of 1978, 2,071,419 Yugoslav citizens were involved in civil defense units, including 716,500 in specialized units (up 15 percent from 1975) and 1,354,919 in general-purpose units (up 21 percent from 1975). The civil defense system has diversified to such an extent as to encompass 67,868 civil defense units (24,087 specialized units and 43,781 general-purpose units), 13,638 civil defense headquarters entities with 80,194 members, 13,747 civil defense committees and commissions with 66,783 members, and 71,269 civil defense agents. [Excerpt] [Belgrade KOMUNIST in Serbo-Croatian 6 Jul 79 p 6]

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